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Effective 1 January 1983, this report series is being reorganized and retitled the SOUTHEAST ASIA REPORT. Material on the South Asian countries--Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka--that now appears in it will be published instead in the JPRS NEAR EAST/SOUTH ASIA REPORT. Also effective 1 January 1983, the JPRS VIETNAM REPORT is being discontinued. Vietnam material will subsequently be incorporated into the SOUTHEAST ASIA REPORT.

21 December 1982

SOUTH AND EAST ASIA REPORT

No. 1231

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BRIEFS

WAGE FREEZE--Australia is to have a wage freeze but the length of it will differ among the states. The commonwealth and the non-labor states--Queensland, Western Australia and Tasmania--will have a 12-month freeze while in the labor states--New South Wales, Victoria and South Australia--it will be for only 6 months. The decision was made after an all-day special premiers conference with the federal government in Canberra. The government presented a 21-point plan for economic recovery centering round a 12-month wage freeze. But treasurer Howard told the premiers there was no extra federal money available for job creation programs and no allowance for a catchup pay rise at the end of the freeze. However, from money saved by the wage freeze, the government proposed spending \$300 million in creating 10,000 new jobs and there would be a scheme for the unemployed to earn extra money. The three labor premiers--Wran of New South Wales, Cain of Victoria and Bannon of South Australia--argued for a 6-month wage freeze and other concessions from the government. But Howard remained firm that the budget deficit could not be allowed to increase further. Originally estimated at less than \$1,700 million, the government now has revised the [word indistinct] to \$4,000 million to allow for increased unemployment and drought relief. Cain criticized the government for failing to do its economic homework. He said there had been no real evaluation of what would occur in either jobs or prices if everything fell into place in the 21-point recovery plan. [Text] [BK071013 Melbourne Overseas Service in English 0830 GMT 7 Dec 82]

CSO: 4200/198

PRESS REPORTAGE ON ERSHAD'S VISIT TO NEPAL

Dhaka Airport Remarks

Dhaka THE NEW NATION in English 11 Nov 82 pp 1, 8

[Text] Chief Martial Law Administrator Lt General H.M. Ershad yesterday indicated that Nepal's cooperation might resolve the issue of augmenting the dry season flow of the Ganges for collective benefit of the countries concerned.

The General was talking to newsmen at the Zia International Airport on the eve of his departure for Kathmandu on a three-day official visit to the Himalayan Kingdom.

He said the cooperation of Nepal for augmentation of the Ganges flow is imperative as "she is the source of the Ganges water. He would discuss with the Nepalese leaders the question of harnessing the water resources particularly in the context of augmentation of the Ganges waters, he said.

In this regard the CMLA referred to the recent statement of King Birendra in the Nepalese Panchayet and said it was a matter of satisfaction that Nepal was interested to share the Ganges waters with the other co-riparian countries.

Replying to another question, the General said he would hold the discussions with the Nepalese leaders on the Ganges waters in the light of the interest.

They said both Bangladesh and Nepal had agreed to maintain close contacts at the highest level. In this context the Bangladesh spokesman pointed out that the two countries were already maintaining such contacts at the top level.

Former Bangladesh head of state had visited Kathmandu twice--in 1977 and 1981, while the Nepalese monarch visited Dhaka in 1978 and 1980.

The spokesman said during the talks held in a cordial and friendly atmosphere, the two sides found close similarity and identity of views.

Water Issue

Replying to a question, the Nepalese spokesman said the two leaders had also discussed the question of harnessing the water resources for regional benefit.

In principle Nepal is committed to the development of water resources both for regional and bilateral interest, he added.

Asked if Nepal would be involved in the process of sharing the Ganges waters, the Nepalese spokesman said it would definitely come up for discussion in the next meeting of Indo-Bangladesh Joint Rivers Commission in New Delhi next month.

Besides a Joint Economic Commission, Nepal and Bangladesh have five agreements in the fields of trade, transport, technical cooperation, Civil Aviation and culture.

The Joint Economic Commission, the Bangladesh spokesman said, had so far held three meetings and identified the areas of cooperation in various fields.

South Asian Forum

On the South Asian forum, the Bangladesh spokesman said the Foreign Secretaries of the seven countries would hold their next meeting in Dhaka.

Those present at the talks from Bangladesh side were Foreign Minister A.R. Shamsud-Doha, Agriculture Minister A.Z.M. Obaidullah Khan and Additional Foreign Secretary Reaz Rahman, from Nepal side present at the talks were Foreign and Water Resources Minister Padma Bahadur Khatri and Finance Minister Dr Y.P. Pant.

Red-Carpet Reception

Gen Ershad was accorded a red-carpet welcome when he arrived here this morning on a three-day official visit.

The CMLA, who is accompanied by Begum Roushan Ershad, was received at the Tribhuvan International Airport by the Nepalese Prime Minister, Mr Surya Bahadur Thapa and Mrs Thapa.

The other members of the CMLA's entourage include Foreign Minister Mr A.R. Shams-ud-Doha and Agriculture Minister Mr A.Z.M. Obaidullah Khan.

The panchkanyas (five girls) garlanded the CMLA and Begum Ershad to welcome the distinguished guests in traditional Nepalese way.

Gen Ershad was then conducted to a specially erected rostrum from where he took salute from a contingent of Royal Nepalese armed forces while the national anthems of both the countries were played.

After placing wreaths, the CMLA exchanged greetings with the people assembled there and talked to them freely, he also signed the Visitor's Book at the memorial.

Khatri Calls on Ershad

The Nepalese Foreign Minister, Mr Padma Bahadur Khatri called on the CMLA at the royal guest house "Shital Niwas" in the evening and stayed with him for some time.

Attends Reception

Gen Ershad attended a reception given in his honour by Nepalese Foreign Minister Padma Bahadur Khatri this evening.

Held at the royal guest house "Shital Niwas" where the CMLA is staying, the reception was attended by Begum Roushan Ershad, Foreign Minister Mr A.R. Shams-ud-Doha, Agriculture Minister Mr A.Z.M. Obaidullah Khan, Nepalese Minister Heads of diplomatic missions and elite of the city.

Text of Ershad 11 Nov Speech

Dhaka THE BANGLADESH OBSERVER in English 12 Nov 82 pp 1, 8

[Text] Kathmandu, Nov 11--The Chief Martial Law Administrator, Lt Gen H.M. Ershad today expressed his confidence that the friendship between Bangladesh and Nepal would endure and flourish as long as the peaks of mighty Himalaya stood proud and firm, reports BSS.

He was speaking at a civic reception given in honour of him and Begum Ershad by the Kahmaandu Nagar Panchayat at the Rashtriya Sabha Griha this afternoon.

The CMLA told the colourful reception that Bangladesh had always taken keenest interests in the development of Nepal. He lauded the progress made by Nepal in different spheres of life and said that the Nepalese people had taken "confident strides" towards creation of a society free from exploitation.

Earlier, on arrival at the Sabha Griha, the CMLA and Begum Ershad, now in Nepal on a three-day official visit, were received by the Pradhan of the Nagar Panchayat Mr Kama Chitrakar and his wife.

They were given a warm ovation by the members of the Nagar Panchayat, all of whom presented them with bouquet amid applause from the audience.

The Bangladesh leader was presented with replica of the Nagar Panchayat, a national cap of Nepal and replica of a sword.

Referring to remarkable progress made by Nepal, the CMLA said constitutional provisions were geared to ensuring class coordination and a decentralised administration that could reach all sections of the Nepalese people.

The CMLA was then introduced to the Chief Justice of Supreme Court and Mrs Khatri, the Chairman of the Nepal Panchayat (National parliament) and Mrs Singh, Ministers, heads of diplomatic missions and high ranking civil and military officers.

The airport was tastefully decorated with the national flags of both the countries, festoons and bunting.

The airport ceremony over, Gen Ershad, accompanied by Prime Minister Thapa drove in a ceremonial motorcade to the royal guest house--Shital Niwas--where he will be staying during his visit.

Welcome banners inscribed with "Long Live Nepal-Bangladesh Friendship" were hung and national flags of both countries fluttered at several vantage points along the two-mile route from the airport to the guest house.

School children stood alongside the road with miniature flags in hand to greet the distinguished guest from Bangladesh.

Message to Indira

Earlier, while overflying Indian territory on his way to Nepal, Gen Ershad sent a message of greetings to Prime Minister Mrs Indira Gandhi wishing continued peace, progress and prosperity for the friendly people of India.

The CMLA also conveyed his best wishes to Mrs Gandhi for her personal health and happiness.

Press View

Meanwhile, the Nepalese newspapers today welcomed the visit of the Chief Martial Law Administrator, Lt Gen H.M. Ershad here saying that it would further strengthen the already existing good bilateral relation between the two countries.

Leading newspaper, the Rising Nepal said that the visit of the CMLA was "entirely befitting for the two who not only share similar aspirations for peace, stability and development but also subscribe to such exemplary doctrine of international conduct as mutual respect to each other's sovereign equality and non-interference to each other's domestic affairs."

The Rising Nepal and the Gurkhapatra, published front page stories with photographs of the CMLA and Begum Ershad welcoming their visit.

Visits Martyrs Memorial

In the afternoon Gen Ershad visited the Martyrs' Memorial at Tundikhel in the city and placed wreaths there.

The memorial is dedicated to the martyrs who laid down their lives for the cause of democracy in 1951.

"We, in Bangladesh," the CMLA said, "have taken keen interest in this process, particularly the three-tier structure of the Panchayat system with the village and town Panchayats at its base and the Rashtriya Panchayat the unicameral legislature at the apex."

Gen Ershad pointed out that the primary aim of his government was to ameliorate the welfare of the ninety million people of Bangladesh.

He said the Government in the seven months since it assumed office, had dedicated itself with total commitment to the task of national reconstruction. The key to this policy, he said, was to achieve administrative decentralisation by taking the Government closer to the people.

The CMLA said with this end in view thana would be transformed into the basic unit of administration in Bangladesh. "It is from here that we can direct and channelise our developmental efforts for the benefit of the 68,000 villages of Bangladesh," he said.

Gen Ershad told the reception that far-reaching measures had already been initiated in all spheres of activities. "Reforms in our judicial and educational systems have been instituted," he said, adding steps had also been taken for improving social welfare, health and population control.

The CMLA expressed his firm belief that given the resolve and dedication of "our people born out of sacrifice and suffering, we shall succeed through perseverance." He said Kathmandu is a city which palpably demonstrates the unique blend of a rich past, a vibrant present and a promising future which, he observed, the Nepalese nation was engaged in building under the dynamic leadership of King Birendra Bir Bikram Shah Dev.

In his address of felicitation to Gen Ershad, the chief of Kathmandu Nagar Panchayat said, "We feel honoured and proud to say that Bangladesh is one of the first countries to welcome heartily the historic call of King Birendra for regional cooperation for the utilization and development of water resources."

He said development of waterways was the need of the hour to facilitate all viable transport in Nepal facing difficulties in development because of her landlocked nature.

Following is the text of speech by Chief Martial Law Administrator Lt Gen H.M. Ershad at the civic reception given in his honour by Kathmandu Nagar Panchayat on Thursday:

Mr Chairman, Members of the Kathmandu Nagar Panchayat, Citizens of Kathmandu, Excellencies, Ladies and Gentlemen.

I bring to you the friendly greetings and good wishes of the people of Bangladesh.

My wife and I and the members of my delegation are deeply touched by your open-hearted welcome and generous hospitality. They are an eloquent testimony to the deep and abiding friendship between our two nations and peoples. This is a memorable occasion which I shall truly cherish. As I look around this beautiful and historic valley nestled in the lap of the Himalayas, I cannot but be impressed by the vision inspired by the soaring peaks surrounding us. A vision of peace, progress, stability in permanency for this great country of Nepal--the proud sentinel of our own South Asian region.

It gives me immense pleasure to be here in this historic city of Kathmandu with its abundant cultural and artistic riches where the modern mingles with traditional and growth is everywhere evident. Indeed, Kathmandu is more than the capital of Nepal. It is not only the seat of the Government and the main centre of commerce, crafts, education and industry, but Kathmandu symbolises the growth of the Nepalese Nation, its pride and indomitable spirit, the unity of its people among diversity and its fiercely independent heritage. It is a city which palpably demonstrates the unique blend of a rich past, a vibrant present and a promising future. A future that this great Nation is engaged in building under the dynamic and enlightened leadership of His Majesty King Birendra Bir Bikram Shah Dev.

As a close neighbour of Nepal with centuries of uninterrupted contact between our peoples, Bangladesh has always taken the keenest interest in the developments in Nepal. We have watched with admiration the remarkable progress achieved in various spheres of life--social, political and economic. Confident strides have been taken towards the creation of a society free of exploitation. Constitutional provisions are geared to ensuring class coordination and a decentralized administration that can reach all sections of the Nepalese people. We have taken keen interest in this process and particularly the three-tiered structure of the Panchayat System with the village and town Panchayats at its base and the Rashtriya Panchayat--the unicameral legislature at the apex. A system that conforms to the genius of the people of Nepal and its time-honoured traditions.

We in Bangladesh also, in our twelve years of independent nationhood, have passed through difficult and challenging times. Our primary aim remains that of ameliorating the welfare of our 90 million people, the great majority of whom live in rural Bangladesh. This Government in the seven months since it assumed office, has dedicated itself with total commitment to the task of national reconstruction and upliftment of our people. We mean to ensure to our people their rightful participation in the Government which must be so geared as to respond effectively to their needs. The key to this policy is to achieve administrative decentralisation by taking the Government to the people. To this end we will be transforming the Thana into the basic unit of administration in Bangladesh. It is from here that we can direct and channel our developmental efforts for the benefit of the 68,000 villages of Bangladesh.

Far-reaching measures have already been initiated in all spheres of activities. Reforms in our judicial and educational systems have been instituted, measures for improving social welfare, health and population control and for mobilising our abundant human and natural resources have been generated--measures that will effectively contribute to the building of a society free from hunger and deprivation. It is our firm belief that given the resolve and dedication of our people borne out of sacrifice and suffering we shall succeed through perseverance.

Mr Chairman, our two countries are bound by countless affinities arising out of geography, history, common culture, traditions and shared perceptions. Our contacts and interaction in all aspects of human endeavour date back from time immemorial. We have common problems, common aspirations and a virtual identity of views on all issues of global and regional concern.

Today our priorities are clear-cut. At home we must lay the foundations of peace through mutual trust and cooperation with all our neighbours. Each of us have a legitimate stake in the other's welfare and we must redouble our efforts to remove past differences if any, and to build for tomorrow new ties of confidence and understanding. Regionally, we must create an environment of peace through structured cooperation and maintain the momentum in making this process of cooperation self-sustaining so that our region can be free from conflict and an area of constructive good-neighbourly relations. Internationally, our consistent commitment to the United Nations Charter and the Non-Aligned Movement obliges us to exert our utmost efforts to lessen international tension and seek constructive solutions to critical issues that divide and threaten our world. It is through our joint efforts that we can strengthen the rule of international law and give meaningful substance to the interdependence of our global society.

As we stand at the foot of these mighty mountains, humbled by their majesty, we are confident that as long as these peaks stand proud and firm, the friendship between our two countries and peoples will endure and flourish.

Thank you.

CSO: 4600/1348

LEADERS SEND CONDOLENCES ON BREZHNEV DEATH

Chowdhury, Others

Dhaka THE BANGLADESH OBSERVER in English 12 Nov 82 pp 1, 8

[Text] President Ahsanuddin Chowdhury has condoled the death of Soviet President Leonid Illyich Brezhnev, reports BSS.

In a message to the Presidum of the Supreme Soviet of the USSR, President Ahsanuddin said: "We have been deeply grieved to learn about the passing away of his excellency, Mr Leonid Illyich Brezhnev, President of the Supreme Soviet of the USSR.

"The government and the people of Bangladesh share the sorrows of the Soviet people at this hour. Please accept our most sincere condolences at your great national loss."

Our staff correspondent adds: different political parties have issued statements condoling the death of Soviet leader Leonid Brezhnev.

Mr M.A. Matin, Acting President of Bangladesh Muslim League (Sabur), in his statement said that the present problem-ridden world lost a great leader in the death of Soviet leader Leonid Brezhnev. He said that the world now full of conflicts had lost a great leader and only the future could say when this loss could be met up. He expressed his condolences to the people of the great Soviet Union.

Professor Muzaffar Ahmed and Pir Habibur Rahman, President and General Secretary of National Awami Party (Muzaffar) in a joint statement said that the peace-loving people all over the world would remember the glorious contribution of President Brezhnev to world peace, detente and disarmament. He was the dependable and trusted friend of the oppressed and exploited and an undaunted fighter for peace, independence and socialism.

The Executive President, Mr Khabiruddin Ahmed and General Secretary Mr Abdullah Tark of Bangladesh Chhatra Samity, in a statement condoled the death of Soviet President Brezhnev and expressed their deep sympathy to the people of the Soviet Union.

Ershad Message

Dhaka THE NEW NATION in English 12 Nov 82 pp 1, 8

[Text] The Chief Martial Law Administrator, Lt Gen H.M. Ershad, has sent a message condoling the death of Soviet President Leonid Illyich Brezhnev, reports BSS.

The CMLA, now on an official visit to Nepal, said that the late Soviet President, during his long leadership had undoubtedly influenced the course of developments in the Soviet Union as well as the outside world.

The CMLA's message sent to the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republic said:

It is with a sense of profound sorrow that we in Bangladesh have received the news of the sad demise of His Excellency Mr Leonid Illyich Brezhnev, Presidium of the Supreme Soviet of the USSR.

"During his long leadership, he has undoubtedly influenced the course of developments in the Soviet Union as well as the outside world.

"At this time of your national bereavement, I wish to express on behalf of the government and the people of Bangladesh and on my own behalf our deepest condolences and most sincere sympathies to the government and the people of the USSR."

President

President Ahsanuddin Chowdhury has condoled the death of Soviet President Brezhnev.

In a message he said: We have been deeply grieved to learn about the passing away of His Excellency, Mr Leonid Illyich Brezhnev.

"The government and the people of Bangladesh share the sorrows of the Soviet people at this hour. Please accept our most sincere condolences at your great national loss."

CSO: 4600/1348

PLANNING BODY FOR ISLAMIC FOREIGN MINISTERS MEETS

Dhaka THE BANGLADESH OBSERVER in English 2 Nov 82 p 1

[Text] A National Committee headed by Chief Martial Law Administrator Lt Gen H.M. Ershad, has been formed to oversee the preparation of the forthcoming Islamic Foreign Ministers' Conference to be held in Dhaka by the second half of December 1983.

The first meeting of the National Committee will be held today (Tuesday).

The high-powered National Committee includes Rear Admiral M.A. Khan, DCMLA Foreign Minister Mr A.R.S. Doha, Works Minister Major General Abdul Mannan Siddiky, Industries and Commerce Minister Mr Shafiqul Azam, Home Minister Major-General Mohabhat Jan Choudhry, Finance and Planning Minister Mr A.M.A. Muhith, Information Minister Syed Nazmuddin Hashim, local Government Minister Mr Mahbubur Rahman, PSO to the CMLA and the Chief of General Staff of the Bangladesh Army.

Mr Faruq Ahmed Choudhury until recently Bangladesh Ambassador to Brussels will act as the Member Secretary of the National Committee. He will also be the Chief Coordinator of the forthcoming Islamic Foreign Ministers' Conference.

The 14th Islamic Foreign Ministers' Conference will be the biggest international moot to be held in Dhaka. And to conduct the conference properly the government is preparing for it well ahead of time.

Besides, the National Committee which will work under the personal direction of the Chief Martial Law Administrator nine other sub-committees have also been formed. Eight of the nine sub-committees will be headed by the Cabinet Ministers and the other one will be headed by the PSO to the Chief Martial Law Administrator.

The nine sub-committees formed are on conference hospitality, conference centre security, Press and publicity, city development and civic reception, trade fair transport, cultural and telecommunication.

The proposal for making Dhaka the venue of the 14th Islamic Foreign Ministers Conference was made at the Bagdad conference and was confirmed at the last Islamic Foreign Ministers Conference held in Niamey.

A special cell in the Ministry of Foreign Affairs for the conference has been created.

Over six hundred persons including delegation members, media representatives will be coming to Dakha. Besides, a large part of the Islamic Secretariat will move to Dakha to provide the logistic support.

The conference will be held at the new Parliament House. Arrangement is being made for simultaneous translation of the proceedings in Arabic, French and English, the official languages of the Islamic conference.

CSO: 4600/1329

LABOR MINISTER REPORTS ON VISIT TO ARAB GULF

Dhaka THE BANGLADESH OBSERVER in English 6 Nov 82 pp 1, 16

[Text] The Government has decided to open two missions, one each at Oman and Bahrain with the objectives of strengthening bilateral relations with the two countries and getting more job opportunities for Bangladeshis there.

Disclosing this to BSS, Air Vice Marshal (Retd) K.M. Aminul Islam, Minister for Labour and Manpower, said that formalities in this regard were being cleared. At present Bangladesh has no mission in Jordan, Bahrain and Oman, he added.

The Labour Minister who returned to Dhaka on Monday from Dubai after a month long visit to UAE, Qatar, Bahrain, Kuwait, Jordan, Oman and Saudi Arabia pointed out that in the absence of our missions Bangladeshis working there found themselves in great difficulty in solving their numerous problems including remittance of their money and renewal of passports. For lack of legal channels many felt constrained to send their income home through "hundi system."

In reply to a question, he said that more than 20,000 Bangladeshis were now working in Oman. Their number in Bahrain and Jordan stood at seven thousand and five thousand respectively. The setting up of missions in those countries would enormously boost employment opportunities of our nationals besides solving many day to problems of those already working there.

Air Vice Marshal Islam said that he had signed a memorandum of understanding with Oman on the employment of Bangladesh nationals during his visit there. Jordan was also willing to sign a bilateral agreement with us on the employment of Bangladeshis there and it had put up a draft on this matter for our consideration.

Describing the visit as fruitful he noted that the prospect of boosting employment opportunities in seven Middle Eastern countries was very bright. This prospect is not diminishing, rather it is going on at the same level as before, he said.

The Labour Minister who in course of his visit to the Middle Eastern countries held discussions with his counterparts and personnel of other ministries and agencies connected with manpower employment and employers in the private sectors said that his mission aimed at improving promotion activities for increased employment opportunities for our nationals and finding out problems being faced by the Bangladeshis in those countries. He was of the view that constant promotional efforts would help increase employment opportunities of the Bangladeshis in those countries. What we need most at the moment is to have constant liaison with these countries at all levels, he said.

The Minister was happy to note that there was a great deal of goodwill in those countries for the people of Bangladesh. All the authorities and employers concerned he had met expressed their satisfaction to him at the conduct and performances of the Bangladeshi employees. The employers of the Middle Eastern countries were particularly happy with the Bangladeshi workers as "they are very much law abiding, obedient and disciplined and they do not create law and order situation."

Summing up his tour impression, the Minister said that the visit had helped establish direct rapport with the important personalities of the private sectors in those countries and it would be easy for Bangladeshi missions at those places to maintain direct liaison with the appropriate agencies. From now on appropriate delegations from Bangladesh would be visiting the Middle Eastern countries to sustain promotional activities on employment of Bangladeshi nationals. Appropriate delegations from those countries would also be visiting Bangladesh on regular basis for recruitment of manpower. Delegations from Jordan and Oman would come to Bangladesh soon to streamline the process of recruiting our people, he added.

CSO: 4600/1338

PEOPLE WARNED AGAINST 'SURREPTITIOUS ACTIVITIES'

Dhaka THE BANGLADESH TIMES in English 3 Nov 82 p 1

[Text] It has come to the notice of the Government that some elements are trying to indulge in activities of a political nature, including holding of meetings and distribution of leaflets under cover of and in the name of social, cultural or religious functions. They are trying to utilise seemingly innocent gatherings to promote their political aims and objectives at a time when all political activities are prohibited under Martial Law, says a handout.

The Government cannot but take a serious view of the matter and would like to remind all concerned that taking out processions, raising of slogans, holding of meetings of a political nature and distribution of leaflets containing political materials are punishable under Martial Law Regulations. Any violation of such Regulations on one pretext or the other cannot be ignored by the Government which has the responsibility of ensuring tranquillity and security of life of the peace-loving citizens. In the event of wilful violation of any Martial Law Regulation or Order, the Government will have no option but to set in motion the provisions of the law for taking care of such violations.

CSO: 4600/1331

CONVICTED SPY SENTENCED TO 5 YEARS IN PRISON

Dhaka THE BANGLADESH OBSERVER in English 17 Nov 82 p 1

[Text] The Special Martial Law Court No 1 Zone--A. Dhaka has found Md Akbar Ali of village Bouglarkuthi P.S. Bhurungamari district Rangpur guilty under Sections 3 and 9 of the Official Secrets Act 1923 read with Special Powers Act 1974 and sentenced him to suffer R I for 5 years, reports BSS.

Another accused, A. Karim, was found not guilty and was acquitted.

According to the case story on 20 November 1978 a patrol party found two persons talking near the international border at Bhurungamari. challenged one of them fled away across the border and the other was caught from a nearby house inside Bangladesh where he was hiding. The man named Sakander was arrested and some papers and a secret document was found in his possession and seized. During investigation Sakander died. Some letters appear to have been written by accused Akbar Ali, was also seized from him.

Accused Akbar Ali who is son of deceased Sakander Ali made a confessional statement before a magistrate admitting that he used to send information to a foreign country and that he actually sent the document seized from his father near Bhurungamari border.

The court found that accused Akbar Ali not only divulged official secrets but was also engaged in the heinous act of espionage sending vital information to a foreign country endangering the defence of the state. The seized letters showed that the accused had intimacy with some foreigners and that he was in correspondence with them.

As such he deserved deterrent punishment but considering the fact that he had already suffered imprisonment in the hajat for about 4 years he was awarded the sentence of R I for 5 years.

Nine prosecution witnesses were examined in the case. The prosecution was conducted by the Chief Special Public Prosecutor and Deputy Attorney General Mr Maqsudur Rahman assisted by Special Public Prosecutor Mr Rafiuddin Ahmad.

CSO: 4600/1349

DISAGREEMENT ON POSITION OF THANA CHAIRMEN NOTED

'NEW NATION' Report

Dhaka THE NEW NATION in English 4 Nov 82 pp 1, 8

[Article by Matiur Rahman]

[Text] The model structure for the proposed thana administration has undergone drastic changes vesting more powers and authority to the bureaucrat and member of the setup.

According to the changes the chairman to be elected by the local people will be a mere figurehead at the top of what is called thana parishad virtually with no effective power or control over the thana administration.

A government notification issued recently to different ministries carried an annexure showing the deviation or departure from the government's much-publicised scheme of moving the administrative unit from the district to the thana level.

The notification carried the annexure showing a weighty position for the newly posted 'commissioner' who will have total control over the other thana level officers and their setup.

According to the notification the thana police has been given an independent status along with the thana judiciary. The original scheme prepared after the review of the administrative reorganization and reforms committee's reports included thana police under the new administrative setup as its subordinate functionary.

The original scheme visualised by the martial law government provided that an elected chairman through numerous functional or subject committees comprising officials of other departments will run the thana administration with the help of the executive body of thana parishad. The commissioner will work as his staff officer to help run the administration properly.

There was no mention of such functional committees either in the notification or its annexure. Rather all the thana-level officers have been placed directly under the thana commissioner who is also empowered to write annual confidential records of the officers of functional groups.

The new annexure which did not define any specific position to be occupied by the elected chairman in the thana setup showed neither any direct or indirect link with other thana working officers thus setting him outside of the chain of command of the thana administration.

The original plan for thana administration under "reorganization and reforms of administration" had provided that the chairman to be elected by the local people would be the chief executive and chief of coordination in all local matters including development of a thana.

The annexure showed eleven thana level officers such as circle officer (revenue), medical officer, education officer, health and population officer, engineering officer, Ansar and VDP head, agriculture officer, cooperative officer (Regulation), cooperative officer (development), livestock officer and fisher officer--all will be placed directly under the newly-posted commissioner.

It is learnt four more officers will be posted at thana level soon and they are mass communication officer, statistics officer, social welfare officer, and rural development officer.

An official source indicated that five to six more officers might be posted at thana level in the near future.

An educationist pointed out to this correspondent that the government had launched crusade against corruption and in doing so it wanted to decentralise the administration giving it a democratic foundation at the grassroots level. But the new setup with a government servant at the top will open "flogate" of corruption. All his subordinate officers will not bother about the welfare of the people.

It is further learnt that the thana commissioners will be directly linked with the establishment and cabinet divisions.

Initially 45 thanas in different districts are going to the new administrative setup from November 7. Another 55 thanas will be upgraded by December next. The rest 346 thanas of the country will be brought under the new administrative setup by the end of next year.

The government is contemplating creating another elective post--vice-chairman--for the thana parishad. If decision to this effect is taken both chairman and vice chairman for thana parishad will be elected together directly by the people.

As soon as the government makes up its mind, election commission will be given the green signal for holding the election for the local bodies probably by the end of next year.

A highly placed source told this correspondent that about 40 lakh voters would be enrolled when new voter lists would be prepared by the election commission before holding the election of the local bodies.

According to latest indications available from a highly placed source, the designation of the newly posted 'commissioner' at the thana may be changed to 'thana executive officer.'

Government Refutation

Dhaka THE BANGLADESH OBSERVER in English 5 Nov 82 pp 1, 8

[Text] The attention of the Government has been drawn to a news item published in a section of the Press on 4 November 1982 about the functions of Thana Nirbahi Officer (formerly known as Thana Commissioner) and their effect on the administrative setup in the upgraded Thanas. The news item is misleading and is far from the fact as has been notified by the Government, according to a PID handout.

In the new organisational setup of the upgraded Thanas the Thana Nirbahi Officer will be an executive officer to the elected Chairman and the Chairman will be the Chief Executive of the Thana. The Chairman as the Chief Executive of the Thana will have total administrative control over all the Thana level officers. Thana Nirbahi Officer will assist the Chairman as an executive officer in performing his duties and in coordinating the duties of other departmental officers of Thana. The Annual Confidential Report of the Thana Nirbahi Officer will be written by the Chairman. The Thana Nirbahi Officer will be answerable to the Thana Chairman for all his activities in the discharge of his duties. About writing Annual Confidential Report of the Thana level officer, it may be mentioned that the Thana Nirbahi Officer will merely initiate the reports and the elected Chairman will finally scrutinise and countersign the report with his remarks. District officers of respective departments will be the technical reporting officers of Thana level officers.

In the new organisational setup the Thana Nirbahi Officer will have development functions as well as regulatory functions. Certain functionary heads like Police Ansar and VDP Revenue and Statistics have been kept under regulatory functions under the overall control of Thana Parishad Chairman. Only the Munsiff-Magistrate will have independent judiciary function.

In the interim period till election Thana Nirbahi Officer may also act as Chairman of Thana Parishad and some nominated individuals at some selected Thanas may also act as Chairmen of Thana Parishad.

The upgraded Thanas will be directly administered by the Districts instead of Sub-Divisions and will have no direct link with Cabinet or Establishment Division.

Charter of duties of Thana Nirbahi Officer as approved by the Government are given below:

- a. He will be staff officer to the elected Chairman of Thana Parishad who will be the Chief Executive of Thana. He will also be the chief executive officer of Thana Parishad, shall be responsible to the Chairman of Thana Parishad and assist him in implementation of policies and decisions of the Thana Parishad.
- b. Assist the Chairman in supervising all Thana level development and administrative work.
- c. Assist the Parishad in preparing a co-ordinated development plan of the Thana and ensure its execution.
- d. Exercise preventive jurisdiction of a First Class Magistrate under sections 133, 144 and 145 of the Cr.P.C. in order to maintain law and order in the Thana area.
- e. Initiate Annual Confidential Report of all Thana level officers except Magistrate Munsiff. The Chairman, Thana Parishad will be the counter-signing officer. District Officers of respective departments will be the technical reporting officers of Thana officers.
- f. Attend emergency duties, such as relief duties following natural calamities, receive stores including food and distribute relief materials as directed by Thana Parishad.
- g. Protocol duties.
- h. Supervise and control revenue and budget administration of the Thana.
- i. Ensure that the Government directives on Thana administration are followed.
- j. Co-ordinate all Thana level training activities.
- k. Act as Treasury Officer.
- l. Perform such other functions as may be entrusted to him by the Government or the Thana Parishad Chairman or as may be conferred on him by the Government under any law.

Hence there should be no cause for apprehension that the elected Chairman will not exercise full control over the Thana administration.

CSO: 4600/1335

REPORT ON FOREIGN AID DISBURSEMENT FOR 1981-82

Dhaka THE BANGLADESH OBSERVER in English 1 Nov 82 p 1

[Text] The total disbursement of foreign assistance in the form of grants and loans under the categories of food, commodity and project aid totalled 1236.1 million US dollars during the last fiscal year 1981-82. The availability of foreign assistance during the period was 5068.1 million US dollars of which an amount of 1943 million US dollars accounted for fresh aid commitment and the rest of the amount accounted for the opening pipeline as on July 1, 1982. While the disbursement of food aid during the period under review was quite satisfactory with the utilised portion standing above 90 percent, the project aid disbursement greatly faltered at the level of only 584.2 million US dollars against the total availability of project aid, however, accounted for a fresh aid commitment of 1233 million US dollars during the fiscal year 1981-82.

The non-utilisation of a large portion of the project aid was due to the lesser disbursement of commodity aid by way of which the internal counterpart fund is mobilised. The lower degree of commodity aid disbursement, while posing hindrance to the optimum utilisation of project aid is considered economically unviable by the donor countries and agencies. As commodity other than in the form of aid can provide economic benefits to the donor countries and agencies from the world market.

The commodity or in other words the non-project aid disbursed during the period under review totalled 421.4 million US dollars against the availability of 856.7 million US dollars of which 492 million US dollars was the commitment of fresh aid.

The opening pipeline of foreign assistance as on July 1, 1982 stood at 3832 million US dollars of which food aid accounted for 46.3 million US dollars, non-project and 435.3 million US dollars and project aid 3350.4 million US dollars.

Meanwhile the commitment of foreign aid during the current fiscal year has been estimated at 1900 million US dollars with the estimated disbursement level of 1300 million US dollars involving food commodity and project aid.

CSO: 4600/1325

AGREEMENTS ON FRG GRANTS TO BANGLADESH SIGNED

Dhaka THE BANGLADESH OBSERVER in English 17 Nov 82 p 1

[Text] Bangladesh will receive Taka 126 crore (140 million DM) as grant during 1982-83 from the Federal Republic of Germany (FRG) under two separate agreements signed between the two countries in Dhaka on Tuesday, reports BSS.

The FRG also agreed to give Bangladesh an additional amount of Taka 40.5 crore (45 million DM) as technical assistance during the period.

The agreements came after three days of talks between Bangladesh officials and the visiting FRG economic delegation led by Dr W. Ehmann which arrived in Dhaka last Tuesday.

Of the Taka 125 crore available under FRG development assistance, Taka 45 crore will be in the form of general commodity aid and 81 crore will be in project aid.

The commodity aid will be utilised to finance the import of urgently required goods and spare parts and the project aid will be used mainly to improve and expand the Ashuganj Power Station.

The Taka 40.5 crore technical assistance will support rural development projects like seed production, plant protection, irrigation and feeder road construction with a view to improving food production in the country.

Of the total Taka 81 crore project aid Taka 13.5 crore (15 million DM) has been earmarked for oil and gas exploration programme.

The FRG has already provided 25,000 metric tons of wheat in response to the urgent need of the Bangladesh Government during the current fiscal year and the total contribution for the year would go up to Taka 185 crore (200 million DM).

The agreements were signed by Mr Shafiul Alam, Additional Secretary of the External Resources Division and Dr Ehmann, Under Secretary of the West German Ministry for Economic Cooperation, on behalf of their respective countries.

West Germany is one of the major donor countries to Bangladesh and till now its financial assistance amounted to about Taka 2,000 crore, (2.2 billion DM) for various development projects and food aid. In addition, more than 700 Bangladeshis received training in Germany and abroad under its assistance programme.

Speaking on the occasion, Dr Ehmann said Bangladesh was the major partner of FRG in the field of economic cooperation, would continue to receive priority in getting W. German development assistance. Bangladesh is the third largest recipient of FRG assistance, he added.

Mr Shafiul Alam thanked the FRG Government for extending substantial economic assistance to Bangladesh over the year.

CSO: 4600/1349

PROBLEMS OF ANNUAL DEVELOPMENT PLANNED EXAMINED

Performance Termmed Poor

Dhaka THE NEW NATION in English 31 Oct 82 pp 1, 8

[Article by Kazi Montu]

[Text] Performance in the implementation of the Annual Development Programme (ADP) for 1982-83 was very poor in the first quarter of the year.

The autonomous bodies received less than 15 percent of the total local currency allocation in the current development programme despite simplification of the fund release procedure, it is learnt.

A total of Tk 2111.16 crore for 532 core projects was allocated in the ADP. This amount includes a local currency provision of Tk 1235 crore, out of which Tk 921 crore was earmarked for the autonomous bodies.

The autonomous bodies drew in the last July-September period only Tk 138 crore out of Tk 921 crore.

The fund release procedure was simplified in order to enable the ministries to release the local currency fund during the first three quarters of the year for the core projects undertaken by the autonomous bodies without the approval of the Finance Division.

It is learnt that the delay in working out the fund release procedure and finalization of the ADP caused loss of six weeks in the process.

Reviewing the performance of different ministries and divisions in the implementation of their projects on the basis of available information the Finance Minister observed in a paper that the pace of progress was not in keeping with the target strategy and modalities.

According to a source in the Finance and Planning Ministry out of 419 projects included in the current development programme, 107 are yet to be received by the Ministry.

Twenty-two out of the 66 unapproved projects which were to be considered for approval after revision have so far been approved while 228 out of the 358 unapproved schemes were recommended by the relevant authority.

It is gathered that the schemes which will not be received by October 31 by the Planning Ministry will find themselves automatically dropped from the revised ADP.

These physical plans required for meaningful and planned incurrence of expenditure were scheduled to be submitted by August 31, but many ministries and divisions have failed to submit the plans by the given timetable they have been advised by Finance and Planning Ministry to send afresh their physical plans to the PMS and the Planning Commission by October 31.

The Finance Ministry is learnt to have deplored gross negligence on the part of many ministries to monitor the progress of their project works.

The Finance Ministry has suggested for monthly review of project performance at the respective level of the ministries and divisions on a regular basis in order to facilitate identification and removal of bottlenecks and solution of problems.

Different ministries and divisions were asked earlier to submit their reports on the progress of implementation of their projects during the first quarter of the current fiscal year by October 31.

Allocation Revision Studied

Dhaka THE BANGLADESH OBSERVER in English 1 Nov 82 p 1

[Text] The Planning Commission is revising the allocations of the different projects in the Annual Development Programme (ADP) for the year 1982-83. The size of the ADP, however, remains unchanged at Taka 2700 crores.

Talking to this correspondent on Sunday, Finance and Planning Minister Mr A.M.A. Muhith said that the revision of the allocations of different projects under ADP is required to place necessary funds for timely completion of the projects. He denied the report that the ADP is being revised again.

The Finance Minister said that the relevant Ministry is now empowered to release funds for implementation of the projects.

He expressed his satisfaction at the release of 15 percent funds during the first quarter of the current financial year for the autonomous bodies. He said that the amount was only 5 percent during the same period last year.

National Economic Council Meeting

Dhaka THE BANGLADESH TIMES in English 6 Nov 82 p 1

[Text] The National Economic Council met in Dhaka on Friday with the Chief Martial Law Administrator, Lt Gen H.M. Ershad in the chair, and reviewed the progress of implementation of the Annual Development Programme for the year 1981-82, reports BSS.

The meeting identified problems of implementation of the last year's development programme and had elaborate discussions on them.

It took number of proposals for proper implementation of the current year's fiscal development programme in the light of past experience.

The meeting stressed the need for taking special care for proper and timely implementation of the development programmes of national importance.

It adopted proposals for further strengthening the monitoring arrangement and simplification of disbursement procedure of project money.

The meeting also stressed on identification of realistic programmes in view the availability of resources.

The meeting was informed that out of a total outlay of Taka two thousand seven hundred and fifteen crore including Taka one thousand crore project aid in the ADP of 1981-82, Taka two thousand two hundred and eighty-two crore representing eighty four percent was spent.

The CMLA directed that effective steps must be taken to see that last year's shortfall in performance is not repeated in future particularly physical programme and that strengthening monitoring arrangements and regular review of progress be made with regards to the implementation of the projects.

CSO: 4600/1325

FOOD-FOR-WORK PROGRAM ADVANCED TO AID NEEDY

Dhaka THE BANGLADESH TIMES in English 1 Nov 82 p 1

[Text] The Food-for-Work Programme for the current financial year begins throughout the country today, (Monday) with the allocation of 4 lakh metric tons of wheat, reports BSS.

Valued at over Taka 160 crore the 1 crore 7 lakh 20 thousand maunds of wheat will be used as wage to labourers for the implementation of 4 thousand projects under the programme.

An official source told the agency that the Food-for-Work Programme has been advanced this time by more than two months to provide relief to the people particularly to those who were badly affected by drought. It was in accordance with the directive of Chief Martial Law Administrator Lt Gen H.M. Ershad, the source added.

The allocation for last fiscal year was 2,55000 metric tons having 3500 projects in the programme. Generation of rural employment, stabilisation of price and nutrition supplement to the people remained the basic objectives of the programme. The programme is expected to generate over ten crore man-days, the sources said.

The World Food Programme with the contribution of 1,75,000 tons of wheat is the single largest donor to the programme followed by the United States with a contribution of one lakh tons to be channelled through USAID. The other major contributors to the programme are Australia, Canada and the United Kingdom. The wheat to the programme received from external sources is in the form of grant. The government will participate in the programme by contributing about 65,000 tons of wheat.

The source said from this year a fundamental change in the approval of projects in the programme has taken place. From now on all projects under the programme will be approved by the subdivisional project implementation committee while subdivision-wise allocation of the quantum of wheat will be made by the ministry. Last year 83 percent of the wheat was utilised and this year "we expect to utilise 90 percent because we are better prepared and have more time," the source added.

CSO: 4600/1326

DHAKA TO IMPLEMENT LAW ON SOJOURNS ABROAD

Dhaka THE BANGLADESH TIMES in English 1 Nov 82 p 1

[Text] The Government has decided to take action under Martial Law Order No 9 of 1982 against 164 Government employees who overstayed abroad for more than one year without official approval or sanction, according to an official handout in Dhaka on Sunday, reports ENA.

The handout said about 582 government employees from different fields who went abroad years ago on specific scholarship deputation training or employment keeping their services in lien with the parent departments or institutions have been overstaying in different countries. In some cases even for more than five years.

The Government took serious view of the matter in cognizance of the offences committed by these persons having violated their contracts with the Government and institutions concerned, the handout said.

These persons belonging to Government administration and educational institutions such as universities and colleges have failed to report to their parent departments or institutions for new assignments causing anomalies in those places affecting the efficiency of the administrative machinery in general, the handout said.

The Government expected that a sense of responsibility and dedication would prevail upon them and they would return home to take assignments in the greater interest of the country.

CSO: 4600/1326

REPORTER TOLD OF 'DEVASTATING' DROUGHT IN JESSORE

Dhaka THE NEW NATION in English 2 Nov 82 pp 1, 8

[Text] Jessore, Nov 1--Ramzan Ali sat like a dead man, eyes stretched into the endless nothingness of clear blue skies. His daughter Rabia had committed suicide.

Ten-year-old Rabia of village Alipur of Jessore district hanged herself after failing to share with her dear ones the pains of continued hunger. Ramzan Ali had no option. He did not have any work. The drought had destroyed his crops. He had no money to buy food from the market. So Rabia used her final option.

Ramzan Ali was all in tears when he talked to the New Nation. "What could I do. I have no work and no money to buy food from the market. Look to my field and see what had happened. The sun has burnt my fields and my family as well."

But Ramzan Ali is not the lone unfortunate one who had lost his dear ones for want of food. Kulsum (11), daughter of Sultan Hossain of village Dikdana faced similar situation and ended her life by taking pesticide.

"Only Allah knows how many people will suffer this year," said Ramzan Ali and added, "I have never seen a drought like this in my life." Some others sitting by his side nodded in approval and almost simultaneously looked towards the fields that lay barren under the burning sun.

The devastating drought has hit 14 out of 21 thanas of Jessore district. These Thanas are Sarsa, Jhikargacha, Moheshpur, Chowgaccha, Kotchandpur, Manirampur, Keshabpur, Abhainagar, Bagharpura, Kotwali, Jhenaidah, Kaliganj, Narail and Shalika.

About 70 percent of the standing aman crop had been damaged in the district by the severe drought this year, according to latest assessment of the Agriculture Department.

According to the sources in the Agriculture Department of the district, 40,000 out of shree lakh acres of land earmarked for cultivation of transplanted aman could not be sown while the standing transplanted aman crop of 20,000 acres of land has been damaged by the drought.

The harvest of aus crop was also extremely poor in the district due to the drought. Consequently, the economic condition of the people has become alarming.

The drought has brought in its wake widespread starvation, hunger, disease and death all pointing to the prevalence of a famine condition in the drought-affected areas of the district.

Meanwhile, cholera and diarrhoeal diseases have broken out in the district in epidemic form already, claiming 200 lives in the drought-hit areas.

Aman crop in Hazaribagh and Bankra unions have been totally damaged. The farmers of the two unions have lost their purchasing power completely as there is no scope for work in the area worst hit by the drought.

Already more than 800 drought stricken people of the two unions have fled their homesteads for the urban areas in search of food and work.

None of the district officials has yet visited the two unions. Only a couple of days ago the Circle Officer (Development) and Thana Agriculture Officer of Jhikargachha thana went to the area, but the hungry people gheraoed them for food and work.

Dr Yusuf Majumdar, Regional Director of Khulna Divisional Agricultural Office along with the District Agriculture Officer visited the unions on October 28. He described the situation in these areas as grievous.

He said after his return from the drought-hit Bankra union, "Aman crop has been totally damaged there."

Distribution of rice through the open market operation could not be undertaken in Bankra union as there is no dealer there who has capacity to lift 50 maunds of rice at a time. Rice is now selling at Tk 8 per seer while ata at Tk 5 seer.

People of Kotwali, Jhikargachha and Sarsa thanas are using the burnt stalks of aman crop as animal fodder. The extent of damage in these thanas is about 80 percent.

According to the district administration, about 5,000 drought stricken persons have fled their homesteads in search of food and work.

Meanwhile, the District Agriculture Office has adopted necessary measures to protect the remaining aman crop on the fields from further damage.

They have fielded a total of 115 one-cusec mobile power pumps in 19 thanas on October 21 to provide irrigation facilities to about 30,000 acres of land.

It is learnt that 2300 shallow tubewells, 600 power pumps and 480 deep tubewells are there in different areas to irrigate the land under aman cultivation. The agriculture officers claim that the measures taken by them would save crop on 30,000 acres of land. But the agricultural experts maintain that the success of the programme depends on the availability of water.

CSO: 4600/1330

BRIEFS

ERSHAD'S TENURE EXTENDED--The tenure of service of the Chief of Army Staff Lt Gen H.M. Ershad has been extended for a period of two years with effect from December 1, 1982 according to an ISPR Press release in Dhaka on Thursday reports BSS. The decision was taken at a meeting of the Council of Ministers held on Tuesday, last. [Text] [Dhaka THE BANGLADESH OBSERVER in English 30 Oct 82 p 1]

NEW IRANIAN AMBASSADOR--The new Iranian Ambassador in Bangladesh, Mr Mohammad Mehdi Akhund Zade Hbasti presented his credentials to President Ahsanuddin Chowdhury at the Bangabhaban on Wednesday morning, reports BSS. Presenting his credentials the envoy said he would endeavour his best to promote further the existing bond of friendship and mutual understanding between the two countries. The President reciprocated the sentiments expressed by the envoy and assured him of all cooperation and assistance in the discharge of his duties and responsibilities during his tenure of service in Bangladesh. The envoy earlier on arrival at the Bangabhaban took the salute presented by a smartly turned out contingent of the President's Guard Regiment and inspected the guards. [Text] [Dhaka THE BANGLADESH OBSERVER in English 18 Nov 82 p 12]

PROMOTION BAN LIFTED--Ban on the promotion of deputy secretaries, joint secretaries and additional secretaries has been lifted to ensure dynamism in the government services and to remove frustration from among them. The Council of Ministers in its meeting held on October 8 reviewed the situation arising out of the ban on the promotion of the senior officers imposed following the proclamation of Martial Law. It was observed in the meeting that the prohibition on promotion had caused a sense of frustration in the minds of the deputy secretaries, joint secretaries and additional secretaries. The meeting, however, resolved to consider the cases of competent officers. [Excerpt] [Dhaka THE NEW NATION in English 3 Nov 82 p 1]

AMBASSADOR TO MEXICO--The Government has decided to concurrently accredit Mr H.R. Chowdhury, at present Bangladesh Ambassador to the United States of America, as Ambassador to Mexico, it was officially announced in Dhaka on Thursday, reports BSS. [Text] [Dhaka THE BANGLADESH OBSERVER in English 6 Nov 82 p 3]

AID FROM NORWAY--Representatives of Bangladesh and Norway on Thursday finalised a four year programme of assistance, says a PID handout. Under the programme Norway will support measures for Primary Health Care, especially mother and child care and Family Planning. The other main area of cooperation is Inland River Transport, while some funds will also be devoted to IRWP and Women's Community Centres. The greater part of the Norwegian financial resources will, however, be devoted to balance of payments support in accordance with the priority needs of Bangladesh in the current balance of payments situation. These funds will be used mainly for import of essential goods from other developing countries in the area. For the first time, donor funds have been committed for import of crude petroleum. The Norwegian financing amounts to a total of Taka 48 crore annually, all in the form of grants. [Text] [Dhaka THE BANGLADESH OBSERVER in English 5 Nov 82 p 1]

IDB LOAN GRANTED--Bahrain, Nov 4--The Islamic Development Bank, IDB, said yesterday it had lent Bangladesh 10 million dollars to finance the import of cotton and a further 10.4 million dollars to buy a 15,000-ton cargo vessel, the official Saudi press agency said, reports Reuter. The Jeddah based bank also lent Jordan 10 million dollars to buy crude oil and paid 4.3 million dollars, acquired shares in a cement factory in Casablanca, Morocco. [Text] [Dhaka THE BANGLADESH TIMES in English 5 Nov 82 p 1]

PACT WITH BULGARIA--Bangladesh and Bulgaria in Dhaka on Thursday signed a cultural exchange programme to promote and facilitate cooperation in the fields of education, information, culture, sports, science and technology between the two countries, reports BSS. Under the programme the Bulgarian government will offer five scholarships every year to Bangladeshi students and in return Bangladesh will offer one scholarship to Bulgaria. Both governments, as per the programme, will arrange exchange of scientists, writers, cultural troupe, folk ensemble, musicians and experts in archeology. The two countries will also hold exhibitions of photographs in each other's country. The central libraries of both countries will exchange books on economics, social and cultural development of the country published in their most widespread languages. Both countries will also establish contact between sport teams and information and materials between union of journalists and mass media. The agreement was signed by the Additional Secretary in charge of the Sports and Cultural Division, Mr Manzur Murshed and Bulgarian Ambassador Mr Asparuh Papalezov. [Excerpt] [Dhaka THE BANGLADESH TIMES in English 5 Nov 82 p 8]

CSO: 4600/1337

BURMA

BRIEFS

NEW AUSTRALIAN ENVOY--Francis William Somerville Milne, the newly accredited ambassador of Australia to the Socialist Republic of the Union of Burma, presented his credentials to President U San Yu on 26 November at the president's office in Rangoon. [BK050656 Rangoon WORKING PEOPLE'S DAILY in English 27 Nov 82 p 1 BK]

CSO: 4200/205

INDIA TO MAINTAIN CONTRIBUTIONS TO UNITED NATIONS

Bombay THE TIMES OF INDIA in English 10 Nov 82 p 20

[Text]

UNITED NATIONS, November 10: India has announced at the U.N. pledging conference for developing activities that it intended to maintain its contributions for 1983 at the same level as that of last year.

Apart from Rs. 70 million for the United Nations Development Programme (UNDP), Rs. 16 million for UNICEF and Rs. 3.2 million for UN family planning activities, contributions totalling \$1.35 million were pledged for other development activities, including the U.N. industrial development fund and the U.N. financing system for science and technology.

PLEDGES ANNOUNCED

India was among a host of countries who announced their pledges after the conference had heard from the U.N. secretary-general, Mr. Perez de Cuellar, that "a crisis is on our hands", in respect of multilateral economic cooperation for the development of developing countries.

Mr. Perez de Cuellar laid the conference signs at a ~~time when~~ ~~when~~

ral cooperation via "other" is "severe threat". Uncertainties over future resource prospects would have the effect of a further constraint on the development programmes of developing countries, already unable to preserve even their present low levels of per capita income.

Mr. Perez de Cuellar, particularly referred to the crisis faced by the UNDP which estimated that it would have resources sufficient to deliver less than 60 per cent of the third programme cycle 1982-86. He told the conference that, alarmed at the impact of resource shortfall on the developing countries, the UNDP governing council was studying aspects on the financing of UNDP.

The UNDP administrator, Mr. Bradformore, had recently declared that the programme was facing a "dramatic scenario" as a result of shortfall in its projected resources.

The Indian delegate, Prof. D. P. Chattopadhyaya, told the conference that India had been, both as donor and recipient country, an important partner in the UNDP.

CSO: 4600/1294

ASSAM TALKS FAIL, PARTICIPANTS' STANDS EXPLAINED

Calcutta THE STATESMAN in English 10 Nov 82 pp 1, 9

[Text] New Delhi, Nov 9--As another round of negotiations on the foreigners' issue failed today, the Assam movement leaders made it clear to the Government side that the only category of people among the 1961-71 entrants into Assam they would accept were those who had valid citizenship certificates awarded to them by the Government of Assam.

The rest must be "detected" or identified and their names struck off the electoral rolls.

After the two-hour informal talks this evening between the Government side represented by the Defence Minister Mr R. Venkataraman, and the Union Home Minister Mr P.C. Sethi, the Assam movement leaders announced that they would now go back to Gauhati and place the matter before the executive committee of the All-Assam Students' Union and the All-Assam Gana Sangram Parishad for their decision on what to do now--whether to continue the talks or begin a "phased movement."

Mr Prafulla Kumar Mohanta, president of AASU and Mr Atul Bora, convenor of AAGSP told reporters that the Government side had told them there could be a round of informal talks in Gauhati after Mr Venkataraman and Mr Sethi reached there to inspect the Assam-Bangladesh borders. (At the instance of the AASU and AAGSP leaders, Mr Venkataraman and Mr Sethi have undertaken to visit the border on November 23, 24 and 25 to verify for themselves whether their complaints that the border had not yet been sealed off, resulting in an influx of refugees into Assam even now, was correct).

They said that the modified formula presented by Mr Ravindra Varma, a leading Janata MP which was the main proposal discussed and debated during the just-concluded sixth round of tripartite talks, had not been found acceptable "as it presented nothing new."

Even the modified formula was further slightly changed today. It classified the 1961-71 entrants into Assam in four categories and suggested how they should be treated.

The first category of those people who have been given citizenship certificates by the Government of Assam or those who have been resettled by the Government of Assam, according to the formula, are eligible to stay and vote in Assam. (Mr Bora estimated that the number of such people would be around 30,000 out of about 1.2 million entrants into the State during the 1961-71 period).

In the second category are placed those who have been given citizenship certificates by other States (such as West Bengal or Tripura). To remove the apprehension that certificates have been issued to them indiscriminately or on the basis of incomplete or fraudulent statements, an authority will be set up to scrutinize them.

In the third category are those who have entered Assam between 1961 and 1971 but are not in possession of citizenship certificates and yet they have had their names entered in the voters' lists. The formula suggests that any citizen or group of citizens can raise a complaint to have their names removed from the rolls.

Those who entered Assam between 1971-71 but have neither citizenship certificates nor their names in the electoral rolls are in the fourth category. According to the formula, it will be the responsibility of the Government to detect all such unauthorized residents" and disperse them.

Mr Bora said that the formula had nothing new in it. "In fact, all the suggestions made so far by Mr Varma or the Government have amounted to presenting the old wine in a new bottle." He went to the extent of saying that Mr Varma's formula was "election-oriented."

Mr Bora said: "We want detection of all the foreigners strictly in accordance with the Constitution and the laws. As far as we are concerned, only those who have valid citizenship certificates issued by the Assam Government are citizens and can stay in Assam. We do not recognize any other category."

Mr Bora said the Government side had suggested resumption of the tripartite talks in the first week of December. This proposal would be considered at the executive committee of the AASU and AAGSP.

Mr Bhrigu Phukan, AASU general secretary, today clarified that AASU and AAGSP were not in favour of the extension of President's rule in Assam unless it is found vitally necessary for a solution to the issue.

They wanted a free and fair election in which foreigners were not allowed to vote. To that end they would oppose any election imposed without a solution to the issue, he said.

CSO: 4600/1296

ASSAM GOVERNOR URGES ELECTIONS BY 18 MAR

Bombay THE TIMES OF INDIA in English 15 Nov 82 p 6

[Text] New Delhi, November 14--The governor of Assam, Mr Prakash Mehrotra is understood to have given full support to the idea of holding assembly elections in the state before March 18 next year.

Mr Mehrotra met the Prime Minister, Mrs Indira Gandhi yesterday and assured her that peaceful elections in Assam could be held irrespective of whether the agitation leaders co-operated or not. There were indications that the agitation leaders themselves would like to have the elections.

Political Effect

The governor's view undoubtedly strengthens the thinking at the Centre at present in favour of holding the elections. The dominant view in government circles is that postponement of the elections through a constitutional amendment would give the impression of surrender to the agitationists. The result could be that the agitationists might become more intransigent.

The political implication of a postponement could be strengthening the present understanding between the agitationists and rightist parties like the Bharatiya Janata Party and the Janata Party who have been advocating the deferring of the poll until a solution of the foreigners issues is found. This amounts to echoing the agitationists' demand.

A final decision on the holding of the elections will be taken after the visit of the defence minister, Mr R. Venkataraman and the Union home minister, Mr P.C. Sethi to Assam on November 22 and 23 when the two Central ministers will find out whether Mr Mehrotra's views are acceptable.

Even if it is administratively possible to ensure polling in Assam, the government is not likely to give up its efforts to arrive at an agreement with the agitationists.

The effort will continue till December 7 when a formal tripartite meeting on the foreigners issue will be held. The announcement about the elections will be made only after this meeting.

Despite the apparent intransigent postures adopted by the agitation leaders at the Delhi talks, government circles seem to think that an understanding with them is still possible.

A vigorous attempt to achieve this will be made by the two Central ministers when they hold informal talks with the agitationists in Gauhati during their visit to the state.

In the event of no agreement being reached, the Union home ministry is understood to have identified the areas where elaborate security arrangements will have to be made for ensuring a peaceful poll. The full support given by the leftist parties to the idea of holding the poll gives added strength to the government to go ahead with the elections.

CSO: 4600/1318

CONGRESS-I ACTIVITY RESUMED IN KASHMIR

Bombay THE TIMES OF INDIA in English 15 Nov 82 p 5

[Text] Srinagar, November 14--After lying low for nearly two months, the state unit of the Congress (I) resumed its political activities by holding a district level convention at Anantnag yesterday.

The Congress (I) has chalked out an elaborate programme to cover all three regions of the state by organising conventions and conferences. This resurgence in its activities follows the recent talks the state PCC(I) president, Mr Mufti Mohammad Sayeed had with the central leaders, including the Prime Minister, Mrs Indira Gandhi.

The thinking is that the Congress (I) should continue to work as an opposition party in order to keep the ruling National Conference in line. Abdicating this role would mean a walk-over for the National Conference in the assembly poll, likely to be held next summer.

Mr Rajiv Gandhi, MP, is expected to pay a visit to the state. This visit should give heart to state Congress (I) leaders, some of whom feel that the party's interests were being sacrificed in order to bolster up the chief minister, Dr Farooq Abdullah. The Jammu and Kashmir Congress (I) has suspended its activities because of this reason and the prolonged illness of the Sheikh.

Addressing the conference, Mr Mufti Sayeed said that the Congress (I) in the state was the strongest secular democratic force. He said that the recent developments in the state should come as a relief to those who had questioned the relevance and the role of the Congress (I).

The PCC (I) president reiterated that his party stood for secularism, democracy and socialism and would not make any compromise where these basic principles were concerned. He spoke about the forthcoming elections and solicited the involvement of party workers at every level to ensure the election of deserving men for various party offices.

CSO: 4600/1318

CPI+ JOURNAL NOTES THAW IN SINO-SOVIET TIES

Calcutta THE STATESMAN in English 9 Nov 82 p 3

[Text] The CPI(M)'s theoretical journal, "Marxbadi Path," has, in its latest issue, noted that certain "significant steps" have been taken by the Chinese Communist Party to normalize Sino-Soviet relations since its 12th party congress. The CPI(M) leader, Mr Promode Dasgupta had also hinted prior to his departure to China that a thaw had set in in the Sino-Soviet relations.

The journal points out that already on the border issue, a round of talks was held in Beijing and another round would be held in Moscow next January between the Soviet and Chinese leaders. The Chinese Government in September recognized the Angola Government which was earlier described by China as a Soviet satellite.

The journal also notes that in the foreign policy report of the 12th congress, the Chinese party has stated that all Communist or workers' parties of the world are equal, irrespective of whether they are running any Government or not. The party has also admitted that it is now recovering from the "disease of imposing guardianship on others."

Asked if Mr Dasgupta's visit might give a pro-Chinese tilt to the party, a CPI(M) leader said on Monday that the party's central committee had appealed to the Communist parties of the Soviet Union and China to come closer in the interest of world Communism. Mr Dasgupta's visit to China would not alter this basic stand of the party.

CSO: 4600/1291

NAMBOODIRIPAD, BASU ADDRESS KISHAN SABHA MEET

Calcutta THE STATESMAN in English 9 Nov 82 p 16

[Text] Midnapore, Nov 8--Mr E.M.S. Namboodiripad, general secretary of the CPI(M), said here today that disruptive forces were today at work in the northeast and northwest provinces. The Congress (I) which represented the "bourgeois class," had failed to contain these forces. He referred to the recent incidents in Punjab and Assam. The time had come for farmers and workers and all democratic forces to oppose these forces jointly forgetting the political differences.

Mr Namboodiripad was speaking at the inaugural ceremony of the four-day 24th all-India conference of the Kishan Sabha, which began today at Hare Krishna Konar Nagar here. About 1,200 delegates from all over the country are participating.

Inaugurating the conference, Mr Jyoti Basu said the Kishan Sabha must be in the forefront of the battle against the divisive forces. Care should be taken about the bourgeois and landlord classes backed by the Congress (I). He stressed the importance of land reforms for the well-being of farmers. The Left Front, he said, was carrying out land reforms with its limited powers.

Mr Promode Dasgupta, chairman of the Left Front Committee of West Bengal said in a message that a countrywide campaign should be started demanding the Centre's assent to a land reforms Bill passed by the West Bengal Assembly which would enable the State Government to take over "benami" lands of jotedars.

Earlier, at a Press conference, Mr Basu ruled out the possibility of opening of gruel kitchens in the drought-affected areas, but added that the State Government had demanded Rs 205 crores from the Centre for additional gratuitous relief and other rural work programmes. He added that 65 percent of the crop in the State had been damaged.

CSO: 4600/1291

GENERAL TELLS PLAN TO MODERNIZE INDIAN ARMY

Bombay THE TIMES OF INDIA in English 15 Nov 82 p 1

[Text] Deolali, November 14 (UNI)--The Indian defence plan has been revised for augmenting and modernising the army and increasing its strike potential.

This was stated by the chief of the army staff, General K.V. Krishna Rao, at the three-day biennial senior artillery officers' conference which concluded here.

The army chief said some items of artillery equipment had been improved recently to achieve a still higher effectiveness.

Gen Krishna Rao called upon artillery officers to maintain operational preparedness at all times and exercise the utmost care in maintaining the sophisticated equipment, as arms and armament had become very expensive, the savings effected by better maintenance could be utilised in procuring more equipment for the army, he added.

Gen Krishna Rao told officers and men of the army that the government was according high priority in providing family accommodation for jawans, junior commissioned officers and other higher ranks.

The army chief said the limited construction capability hindered the goal of accommodation for all. However, he said there were no financial constraints and hoped that more comfortable and better accommodation would be available to army personnel in time.

The army chief also went round the school of artillery and artillery centre to see training being given to the new recruits.

Earlier, on arrival at Deolali, Gen Krishna Rao was received by Maj Gen S.K. Talwar, commandant of the artillery centre.

Lt Gen K. Sunderji, deputy of army staff and Lt Gen K.K. Hazari, director of military operations had also specially gone to Deolali to attend the conference.

CSO: 4600/1318

MAIN BATTLE TANK PROTOTYPE BY END OF YEAR

Kuala Lumpur ASIAN DEFENSE JOURNAL in English Nov 82 p 100

[Text]

The defence industry is developing the first prototype of the Main Battle Tank (MBT) indigenously and this is expected to be completed for military evaluation by the end of next year.

It was disclosed at a meeting of the Defence Research and Development Council in Madras recently that all sub-systems for the Indian-built MBT, including the armament system, sighting and fire control instrumentation and armour structure were progressing in order. The Army would carry out evaluation tests when the prototype is ready.

The meeting chaired by Defence Minister, Mr. R. Venkataraman was briefed on details of work by the Secretary of the Defence Research and Development Organisation, Dr. V.S. Arunachalam. Chief of Army Staff, General K.V. Krishna Rao expressed confidence in the success of the project.

Under consideration was a programme to develop a Light Combat Aircraft (LCA), in collaboration with several agencies in the country, the Council was told.

Other important programmes which are making progress include the early warning radars for the Army and Air Force and a sonar system for the Navy. Besides these, the Defence Ministry's laboratories are developing a gas turbine engine for powering a future military aircraft, advanced airborne radar, pilotless target aircraft, and aircraft training simulators. The Council members who include the three Service chiefs and scientists felt there was a need to involve production agencies in the development activities from the early stages to facilitate technology collaboration to complete projects without undue delays.

GANDHI INDECISIVE ON HANDLING OF SIKH PROBLEM

Madras THE HINDU in English 9 Nov 82 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, Nov. 8.

The Punjab crisis acquired an extra dimension today with all political parties in Haryana, including the Congress (I) threatening to boycott the Assembly if the Centre conceded the Akali demand for the transfer of Chandigarh without ceding Abohar and Fazilka tsikhs simultaneously in terms of the 1970 award.

The Central leadership of the Congress (I) had no idea that the Chief Minister of Haryana, Mr. Bhajan Lal, who had convened an all-party meeting to put up a joint fight against the Akali claim, would take the lead in holding out this threat without prior consultation.

The Akali contention is that nowhere does the word "simultaneous" occur in the award given by the Prime Minister, Mrs. Indira Gandhi, in 1970 on Chandigarh while the Haryana leaders maintain that the concept of a parallel implementation of the two commitments is quite implicit in the agreement. Mr. Bhajan Lal arrived in Delhi tonight, armed with the all-party resolution threatening joint action, to apprise the Central leaders of the intense feeling in Haryana which if not properly handled could take an anti-Congress (I) turn.

The Haryana Chief Minister is obliged to adopt this stand because he does not want the Opposition to cast itself in the role of the main defender of the State's interests. He is no less wary of his own opponents in the Congress (I) like Mr. Basu Lal exploiting the situation to malign him as a weakhearted leader who cannot be depended upon to fight resolutely even if it means resigning in protest against any attempt to appease the Akalis at Haryana's expense.

It is not without significance that the Opposition parties who have joined hands with Mr. Bhajan Lal in putting up a joint fight to safeguard Haryana's interests are not prepared to go the whole hog with him in preventing the Akali jathas from passing through Haryana on their way to Delhi. The Chief Minister was told in no uncertain terms that they could not be a party to the denial of the legitimate right of anybody, whether it is the Akalis or others, to demonstrate peacefully for ventilating their grievances.

Communist parties want religious demands conceded

The two communist parties, which are refusing to take sides in this Punjab-Haryana wrangle, are pressing the Centre to take some imaginative steps to focus attention on the political aspects of the controversy without letting the hotheads on either side infuse communal overtones into it. They want the religious demands of the Akalis to be conceded straightforward as a well-meaning gesture to the Sikh community and not as a concession to the Akali Dal, and start tackling their political demands in the broader perspective of an inter-State dispute before it degenerates into a bitter Hindu-Sikh squabble.

Despite their brave public postures, the Akali leaders have been taking due care not to carry their threats to the point of no return because they are equally keen on avoiding a disastrous confrontation with the Centre so long as they do not lose face in the bargain. But they are refusing to resile from the position that it is

for the Centre to make the next move with some meaningful concessions for resuming the interrupted negotiations.

The Punjab Chief Minister, Mr. Darbara Singh, who is the main target of the Akali wrath, has also been adopting a little more flexible attitude. He said today at a meeting of Congress (I) workers from various districts that there should be no objection to some rethinking on boundary demarcation if Haryana and Himachal Pradesh agreed to it.

A fresh look could be taken, he said, only with the consent of all concerned and in a calmer atmosphere free from any threats of agitation. He was probably referring in an oblique way to the Haryana threat to mount a counter-agitation and, if need be, organise a parallel march to the capital if the Akalis went ahead with their bid to intensify and extend their agitation to Delhi.

Mrs. Gandhi, and her senior colleagues are continuing their efforts at various levels to defuse the explosive situation before it assumes serious proportions. But they are unable to make up their minds yet on what exactly should be done to win over moderate Sikh opinion after conceding the religious demands of the Akalis and opening the way for further talks with them.

CSO: 4600/1292

DELHI FORMULATING TECHNOLOGY POLICY RESOLUTION

Madras THE HINDU in English 9 Nov 82 p 1

[Text]

NEW DELHI, Nov. 8.

The Government is now working on a technology policy resolution, as an adjunct to the science policy resolution of 1958, spelling out the country's approach to self-reliance in this highly specialised sphere.

The Cabinet has discussed and approved the broad outlines of this policy resolution. The Planning Commission member, Prof. M. G. K. Menon and Dr. S. Varadarajan, Secretary, Department of Science and Technology, have been entrusted with the task of drafting it.

The purpose of this policy resolution is to reiterate the Government's resolve to make a determined bid to achieve the largest measure of technological self-reliance in as many fields as possible. But it will be stressed at the same time that this renewed emphasis on self-reliance should not be mistaken for total self-sufficiency to the point of completely precluding the import of technology in any spheres.

The basic objective is to utilise the latest technological advances to step up domestic production. If the country's requirements cannot be met with indigenously developed technology, there should be no inhibition in importing it.

More job opportunities: The policy resolution will also clarify that, in obtaining technology from other countries in areas where it is not locally available, due care will have to be taken to ensure that the main aim is not to save on labour but create more employment opportunities by enlarging the production base.

The Government also proposes to encourage wider use of modern technology in agriculture as well as rural development to increase productivity and help generate higher incomes. The new policy will try to strike a proper balance in providing the necessary priorities to agricultural growth and industrial production.

In drafting this policy resolution, utmost care is being taken to avoid the impression that, in the name of greater flexibility and pragmatism, the Government is not diluting self-reliance or throwing the doors open to the multi-nationals which will be able to make inroads into the Indian economy with attractive offers of scientific marvels and technological innovations.

CSO: 4600/1292

GANDHI REMARKS AT SCIENTISTS' MEETING REPORTED

Bombay THE TIMES OF INDIA in English 14 Nov 82 p 9

[Text]

NEW DELHI, November 13.

RESPONDING to persistent attacks on a self-reliance oriented electronics policy, the Prime Minister, Mrs. Indira Gandhi, has pooh-poohed the suggestion that India should adopt the strategy of a quick exports-led growth in consumer electronics on the pattern of South Korea, Hong Kong, Taiwan and Singapore.

Mrs. Gandhi's remarks assume greater importance since these followed the suggestion made by one of her cabinet colleagues in the presence of a gathering of noted scientists. The occasion was the meeting of the council of scientific and industrial research last week where Mr. Venkai Sathe, minister for chemicals and fertilisers, returned to his favourite theme that India should emulate the example set by South Korea and Taiwan.

Mrs. Gandhi thought it fit to deal with the issue in the context of Mr. Sathe's contention and pointed out the difference between the Indian and the South Korean models of development.

The Prime Minister had to reiterate the government's policy again within three days in response to a question in the parliamentary consultative committee for the scientific departments.

Here, the issue was raised by Mr. B. Ramchandra Rao, member of the Rajya Sabha, who mentioned that "South Korea, Hong Kong, Taiwan and Singapore have marched ahead of India in the field of electronics."

Mrs. Gandhi presented to the members an 11-page note comparing the Indian capabilities in the field of electronics with those of countries like South Korea, and said that India was quite advanced, both technolog-

ically and industrially, in this field.

The note points out that India's objectives and industrial framework in the field of electronics are largely determined by the size of the country and the domestic market, security environment, communication needs, economic structure, technological strategy and educational resources.

It says that the Indian strategy is to achieve technological self-reliance and to ensure indigenous production of the maximum possible equipment for strategic defence, communication, space and atomic energy needs.

The technological and industrial capacity built up to meet domestic needs is intended to be used as a springboard for exports. In contrast, the electronics industry in the four South Asian countries—South Korea, Taiwan, Hong Kong and Singapore, has been promoted so as to be basically export-oriented, with high gross output and turnover. They are heavily involved in consumer electronics, with foreign companies playing an overwhelming role.

According to a World Bank report, many factors have pushed the South Korean industry in the direction of minimal own development and product design.

In contrast, the high-technology professional-grade equipments made in India includes radars, aviation and navigation aids, a range of computers and nuclear instruments.

While the export-oriented South Korean electronics industry has a very large gross output, the domestic value added to the Indian production is much higher. Moreover, 90 per cent of the Indian production is of professional electronics and much of it is cheaper than comparable West European products.

CSO: 4600/1300

INDO-JAPAN STUDY COMMITTEE HOLDS DELHI MEETING

Report on Meeting

Bombay THE TIMES OF INDIA in English 9 Nov 82 p 9

[Text]

NEW DELHI, November 8.

INDIA has pointed out to Japan that Japanese aid to it has remained constant at 30-32 billion yen over the last few years.

Though some of the stringent terms of aid have been relaxed in recent years, credits remain tied not only to projects but also to the source of supply, leaving India with practically no options and delaying the utilisation of the credit. Besides, the procedure makes for slow disbursement of aid.

These remarks were made by Dr. Manmohan Singh, governor of the Reserve Bank, at a joint meeting of the Indo-Japan study committee today. Dr. Singh leads a four-member team to the meeting. A seven-member Japanese delegation is led by Mr. Shusaku Hogan.

FARM PROJECTS

In a paper on India's agricultural development strategy and potential for co-operation between India and Japan, Dr. Manmohan Singh said that as Japan was placing a premium on agricultural development in developing countries, increase in aid could be channelled into agricultural projects and programmes where Japanese interest had hitherto been limited.

"Thus there is scope for increasing assistance for agriculture, irrigation and rural development, liberalisation of the terms and conditions as well as simplification of procedures."

Dr. Manmohan Singh said that Japanese capital, technology and access to Japanese markets could help to accelerate the pace of India's agricultural development.

He suggested that Japan should

send an import mission to India for industry level contacts to promote imports of marine products. There was also scope for export of a number of items from India to Japan such as tea and coffee, spices and casew, cotton and jute goods, furniture and agricultural engineering goods.

The Prime Ministers of India and Japan have commended the role of the study committees in the two countries in promoting bilateral relations and expressed the hope that they would further enlarge the area of co-operation.

In messages to the joint meeting of the India-Japan study committee, Mrs. Gandhi said that relationship between Japan and India had been marked by friendship and growing co-operation.

The study committees in the two countries had done much to foster this cordiality. The research papers they presented at their joint meetings were relevant and of high quality.

"Because of the similarity in our political institutions and the commonality of our economies", Mrs. Gandhi said, "there is vast scope for enlarging the area of co-operation in the interests of peace and prosperity in Asia and the world".

Mr. Zenko Suzuki, Prime Minister of Japan, in his message referred to the "positive trend" towards great advancement of India-Japan relations during recent years.

"But our relations are capable of further improvement in order that they may become commensurate with the status our two countries hold in the international community", Mr. Suzuki said. "To that end, we must further deepen our mutual understanding".

Press Briefing

Madras THE HINDU in English 10 Nov 82 p 9

[Text]

NEW DELHI, Nov. 9.

Japanese experience will be of immense benefit to India for the modernisation of its industry, Dr. Manmohan Singh, Governor of the Reserve Bank, said here today while briefing newsmen at the conclusion of the two-day meeting of the India-Japan Study Committee.

Dr. Manmohan Singh, who is the co-chairman of the committee along with his Japanese counterpart, Mr. Shinsaku Hogen, said the committee which was having its 12th meeting was primarily concerned with examining the long-term trends in Indo-Japanese cooperation. The conclusions reached at the study committee meetings are being forwarded to the Governments and businessmen of the two countries.

Mr. K. K. Birla, one of the committee members, said there was greater awareness among Japanese businessmen of the need to promote investment in India. This awareness had led to the collaboration between Maruthi and Suzuki for the production of cars.

Mr. M. V. Arunachalam, another member of the committee, said India's adverse and balance of trade with Japan was discussed. The Japanese had pointed out that they would like India (which was now exporting iron ore to Japan) to export more manufactured goods and higher value added items. There was a feeling among the Japanese industrialists that India was not paying much attention to marketing.

Dr. Manmohan Singh said case studies carried out had clearly indicated that import of technology and its subsequent absorption by Japanese industry had been successful because there was clarity of objectives in the adaptation of technology. "This study is a useful contribution to our understanding of the processes involved in the modernisation of Indian industry", he said.

Dr. S. Ramaseshan, Director of Indian Institute of Science, Bangalore, said it was decided that both Japan and India should examine how they can collaborate in science and technology in future.

The vast scope for expansion of cooperation between India and Japan in promoting the modernisation of India's rural economy has been stressed in a paper presented by the Indian delegation.

The paper pointed out that Japanese capital and technology and access to Japanese markets can accelerate the pace of India's agricultural development.

Items of export potential: The paper suggested Japan could send a mission for industry-level contacts to promote imports of marine products. There is also scope for export of items from India to Japan, like tea, coffee, fruits and vegetables, garlic and ginger, other spices, curry powder and cashew, cotton, tobacco, jute goods, sandal oil and dyestuff, furniture and agricultural engineering goods.

CSO: 4600/1289

RESULTS OF INDO-ITALIAN COMMITTEE MEETING TOLD

Bombay THE TIMES OF INDIA in English 10 Nov 82 p 9

[Text]

NEW DELHI, November 9 (PTI)

INDIA and Italy have agreed to take all possible steps to increase economic co-operation and double their trade turnover.

This was the outcome of the fifth session of the Indo-Italian joint committee which held its meeting in Rome last week.

The Indian delegation was led by Mr. Atul Haksar, commerce secretary, and the Italian delegation by Mrs. Teresa De Corse, director general, ministry of foreign trade.

Indicative of the priority which Italy attaches to commercial and economic relations with India, the Italian minister of foreign trade, Mr. Nicola Capria, inaugurated the plenary session of the joint committee.

During the deliberations, Italy expressed its willingness to provide technical assistance in India for improvement of production techniques and designs in textiles with particular reference to silk and silk processing, leather, gems and jewellery. The meeting also decided to promote joint ventures for exports of marine products to Italy.

The meeting also agreed to simplify the procedure for utilisation of export credit worth 90 million dollars as well as the Italian government soft loan to the tune of 140 million dollars which were made available to India earlier. This would facilitate early disbursements of these loans and credits and enhance economic co-operation.

It also identified a number of areas for industrial co-operation in sectors of energy including renewable energy, petro-chemicals and fertilizers.

Indo-Italian trade has been expanding steadily in the last few years. In 1979-80, India's exports to Italy were valued at Rs. 212.7 crores, while imports during the same period were Rs. 178.9 crores.

The major items of India's exports are leather and leather manufactures (50 per cent), clothing and apparel (15 per cent), textile yarn (5 per cent) and coffee. Major items of import are machinery and transport equipment, fertilizers, iron and steel, synthetic fibre and medicinal and pharmaceutical products.

Italy ranks seventh in terms of foreign collaboration in India. Eighteen collaboration projects have been approved from January to June this year.

CSO: 4600/1294

FINANCE MINISTER LAUDS RESERVE BANK CREDIT POLICY

Bombay THE TIMES OF INDIA in English 11 Nov 82 p 9

[Text]

BANGALORE, November 10.

THE Union finance minister, Mr. Pranab Mukherjee, today ruled out the possibility of a reduction in interest rates on bank loans.

Speaking as chief guest at the 24th annual conference of the Karnataka Planters' Association, he said he had reviewed the credit policy announced by the Reserve Bank recently and found there was no scope to improve on it.

He pointed out that bank profits had declined to 0.01 per cent, limiting the profits of the 20 nationalised banks to Rs. 48 crores. Out of every Rs. 100 advanced by banks, Rs. 43 was charged less than the borrowing rates and only Rs. 15 was charged 16 to 19 per cent as interest, he said.

Mr. Mukherjee also said the recent increase in export duty on coffee to Rs. 4,400 a tonne was reasonable, considering the country's constraints on resources required for the plant, of which planters were also beneficiaries. A sum of Rs. 49 crores had been earmarked in the sixth plan for soft loans to coffee plantations, besides the Rs. 2,500 given per hectare as replanting subsidy, he pointed out.

He, however, agreed that in the face of fluctuating prices, the government should be as prompt in reducing the

duty as it was in increasing it.

India had to be extremely careful in its strategy if it had to retain or improve its position in coffee exports, particularly in the context of the quota fixed by the International Coffee Organisation. He commended the progress made in production and export of coffee and called for efforts to increase domestic consumption. In the international market, there should be vigorous research to develop new markets. The commerce ministry was prepared to help in this, Mr. Mukherjee said.

Some problems of the plantation industry had arisen out of the international scenario and the commerce ministry was vigorously pursuing the idea of some sort of adjustment to avoid distortions and imbalances, he said.

Mr. R. Gundu Rao, Karnataka chief minister, who inaugurated the conference, recalled that a few years ago he was a critic of the plantation industry. Now, he added, he was appreciative of its co-operation and positive approach.

Mr. A. D. Chandra Shekhar, president of the association, said that coffee growers in the state had to shed their complacency and brace themselves to face the realities of a very tough international market, where quality and competitive prices mattered more than ever before.

CSO: 4600/1298

PRESS REPORTS INDIAN REACTION TO BREZHNEV DEATH

Observance Plans, Messages

New Delhi PATRIOT in English 12 Nov 82 pp 1, 7

[Text] The news of the death of Leonid Brezhnev, India's great friend abroad plunged India into gloom with leaders from the Prime Minister and the President to common man, expressing shock and sorrow.

The Government of India has announced a three-day State mourning beginning on Friday as a mark of respect for the departed Soviet President.

According to the official announcement, flags will fly half-mast from Thursday till the period of mourning was over in Delhi, the State capitals as well as Indian missions abroad and there will be no official entertainment during this period.

The red flags at the offices of the CPI and the CPI-M were flying half mast on Friday after the news of Brezhnev's demise reached the Capital.

VALUED FRIEND: PM

In her condolence message, Mrs Indira Gandhi hailed the Soviet leader as a man who left his impress on the history of the last two decades with his initiatives towards detente and peace which enabled the family of nations to overcome many a difficult crisis.

In Brezhnev's death, she said, the world had lost an outstanding statesman, the Soviet Union a great architect and the people of India a valued friend.

Brezhnev's life she said, was one of unusual dedication, tenacity and achievement as he directed the strength and creative spirit of the Soviet people towards peace and the task of ensuring a world where nations could live in amity.

Mrs Gandhi said she had the privilege of knowing Mr Brezhnev for many years. Indo-Soviet friend ship and cooperation grew and achieved maturity during President Brezhnev's time.

He showed consistent understanding of our problems and stood by us in our moments of need. He had a strong personality and was imbued with sturdy realism, she said.

Mrs Gandhi conveyed to the Government and people of Soviet Union the profound sympathy and condolences of the Government and people of India.

President Zail Singh described Brezhnev as a "great statesman and leader of the Soviet people" as well as a "good friend of India".

In his condolence message, the President said: "The world will miss his towering presence and his sense of mission to promote peace and detente. President Brezhnev's extremely valuable contribution to Indo-Soviet friendship and cooperation will always be remembered in our country."

Vice-President M Hidayatullah said Brezhnev's death has "left us in utter gloom". He pointed out that although in poor health the Soviet leader was able to

shoulder great responsibilities of his office to the last.

"His sudden passing away has come as a great shock. We have lost a true friend of India. He underlined that Brezhnev always worked for the prosperity of his country while helping the poorer countries of the world.

The Central Secretariat of the CPI expressed "most profound grief" at the demise of Brezhnev and directed all party units throughout the country to take out silent mourning processions on 14 November and hold memorial meetings.

While recalling Brezhnev's "historic contribution" to building communism in the USSR, strengthening cohesion of the Socialist system and forging closer unity of the international communist movement on the basis of Marxism-Leninism and proletarian internationalism, the Secretariat noted that the "personal initiatives which Comrade Brezhnev has taken in the course of the last few years in furtherance of the historic peace programme of the CPSU have served as a beacon of hope and inspiration to the peoples of all continents".

Conveying heartfelt condolences of the CPI to the CPSU, the Soviet people and members of the bereaved family, the Secretariat observed: "The Indian people will forever cherish the outstanding contribution Comrade Brezhnev has personally made to the noble cause of strengthening friendship and cooperation between India and the Soviet Union."

The politburo of the CPI-M now meeting in Calcutta, conveyed its condolence to the members of the Communist Party of the Soviet Union and the people of the USSR over the "heavy loss they have sustained" on the demise of President Brezhnev.

"This is a loss to the peace-loving humanity, who will remember with gratitude the untiring work turned out by Mr Brezhnev in spite of his failing health in mobilising the people throughout the world against the aggressive move made by imperialists to plunge the world into a destructive nuclear war".

CONG-I TRIBUTE

The Congress-I party at an emergency meeting chaired by its president Indira Gandhi condoned the death of Mr Brezhnev.

The resolution passed at the meeting said: "The Indian National Congress is deeply grieved at the passing away of President Brezhnev and sent its condolences to the Communist Party of the Soviet Union and the people of that great and friendly country."

President Brezhnev was a statesman of a high stature who through his dedicated efforts in the cause of detente and peace left a mark on our times. He was a good friend of India, the resolution added.

The Congress-I expressed its appreciation of President Brezhnev's contribution to the strengthening of the Indo-Soviet friendship.

"The people of India share the grief with their Soviet brothers and sisters", the resolution said.

The reinforcement of the Indo-Soviet friendship, cooperation and continued work for peace will be the most fitting tribute to the memory of President Brezhnev, the resolution said.

The National Secretariat of the Indo-Soviet Cultural Society in its condolence message described Brezhnev as a "great and reliable friend of India whose tireless efforts for the noble cause of world peace will always be remembered by all mankind".

Maintaining that the void created by his passing away at this critical moment in the international situation was very difficult to fill, the Secretariat remembered Brezhnev's close personal relations with the ISCUS.

The Secretariat of the All-India Peace and Solidarity Organisation characterised him as the "beloved leader of all who fight for peace, freedom and against exploitation".

"We remember with great appreciation President Brezhnev's warm support to India at

all times, specially at moments of crises. We recall his constant desire that India should be politically and economically a strong nation, together with the USSR and others to fight for peace," it said and noted that his support to the developing countries and national liberation struggles was a significant factor in their success.

The National Committee of the Friends of the Soviet Union deeply mourned the demise of Brezhnev and said: "In his death the world has lost a mature statesman, a steadfast fighter for peace and security, a friend of the non-aligned world and the national liberation movement. The might of the USSR and its moral authority in the world today is in no small measure due to the farsighted leadership of President Brezhnev."

The Secretariat of the All-India Youth Federation and the All-India Students' Federation sent heartfelt condolences to the CPSU, the Komsomol (the Young Communist League of the USSR), the Soviet people and members of the bereaved family and said: "Comrade Brezhnev always inspired the youth and students of not only the USSR but of the whole world to carry the torch of peace, disarmament and for fighting to end exploitation of nation by nation and man by man."

Janavadi party leader Chandrajit Yadav said the world had lost a great statesman whose life was totally dedicated to world peace. The Soviet Union, he said, had lost a nation builder and India its best friend.

Mr Rajiv Gandhi MP has expressed deep grief at the death of Mr Brezhnev describing him as a leader of high eminence who dedicated himself to the cause of detente and world peace.

Mr Gandhi said during Mr Brezhnev's stewardship the Soviet Union strengthened its friendship with India. "Indo-Soviet friendship has not only helped our own economic development but became a factor in tributary to international stability," he said.

G.K. Reddy Report

Madras THE HINDU in English 12 Nov 82 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI Nov 11.

The Prime Minister, Mrs Indira Gandhi, will be going to Moscow to attend the funeral of Mr. Brezhnev and renew her acquaintance with the leaders of the new Soviet presidium.

Touching tributes: The Prime Minister has sent a touching condolence message, saying that "the world has lost an outstanding statesman, the Soviet Union a great architect and the people of India a valued friend".

In conveying the "profound sympathy and condolences of the Government and the people of India" to the Soviet Union, she described Mr. Brezhnev's life as one of unusual dedication, tenacity and achievement. The late Soviet President, she added, had directed the strength and creative spirit of the Soviet people towards peace and the task of ensuring a world in which all nations could live in amity.

Mrs. Gandhi said she had the privilege of knowing Mr. Brezhnev for many years. Indo-Soviet friendship and cooperation grew and achieved maturity in his time. "He showed consistent understanding of our problems and stood by us in our moments of need. He had a strong personality and was imbued with sturdy realism."

The Prime Minister pointed out that his initiatives towards "detente" enabled the community of nations to overcome many a crisis. "The history of the last two decades bears his impress."

The President, Mr. Zail Singh and the Vice-President, Mr. M. Hidayatullah, also sent similar messages of condolence. Almost all the political parties have joined the Government in mourning Mr. Brezhnev's death and paying eloquent tributes to his contribution to Indo-Soviet friendship which has stood the test of time. Though Indo-Soviet relations grew closer during Khrushchev's rule, it was Mr. Brezhnev and Mr. Kosygin who consolidated and expanded them.

When Stalin died in 1953 at the height of the cold war, Nehru paid a rare tribute, describing the Soviet leader as a man of peace. It led to a big uproar in the West, especially in the

U.S., which strongly resented the description and also the rare honour India did in adjourning Parliament for a day as a mark of respect.

How will China respond? But in the present atmosphere, there are no such hard feelings and it is expected that many Western countries will be deputing their leading figures to attend Mr. Brezhnev's funeral. The world is waiting to see how appropriately China responds in the changed context of the new moves under way for Sino-Soviet normalisation.

The late Soviet President took a special interest in India and other leaders like Mr. Kosygin, Mr. Gromyko, Mr. Andropov and others played an important role in widening Indo-Soviet relations in Mr. Brezhnev's time. Mr. Andropov, Mr. Chernenko and Mr. Ustinov who are going to be the key figures in the new Soviet set-up are men with their minds geared primarily to the power balance in Europe.

Preserving old perspective: It will take them some time to develop a matching interest in India, although none of them is a complete stranger to the Asian scene. But the present level of Indo-Soviet relationship will be maintained by the new men in the Kremlin, since they cannot be unaware of the political reality that Russia needs India as much as India needs the Soviet Union.

The only difference is that they may not be able to attune themselves to the diplomatic delicacies of India's attempts to improve relations with the U.S. But there are still oldtimers like Mr. Gromyko left to help preserve the old perspective even in the changed situation.

Mr. Brezhnev visited India thrice, first as President of the Supreme Soviet in 1961, then as General Secretary of the Soviet Communist Party in 1973 and then in 1980 as President of the Soviet Union. He travelled extensively during the first visit covering Madras, Bombay, Calcutta, Agra and Jaipur besides Delhi. He visited a number of Soviet aided projects, including Neyveli, on that occasion. But his visits in 1973 and 1980 were primarily for talks in Delhi followed by the signing of several agreements for increased economic cooperation.

CSO: 4600/1308

DELHI CONSIDERS REVIVING EXPENDITURE PANEL

Madras THE HINDU in English 10 Nov 82 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, Nov. 9.

The Economic Administration Reforms Commission, headed by Mr. L K. Jha, which will complete its two-year term next March, has informed the Government that it will require three months more to finish the work on hand and another three months to complete the remaining tasks assigned to it.

The Commission has also told the Government that if the intention was to continue to utilise its expertise in some form or the other even after the expiry of its extended term, it would be desirable to retain it as a permanent advisory body staffed by specialists drawn from different economic disciplines.

The Government is examining these suggestions and also considering the desirability of reviving the expenditure commission that was set up during the Janata rule but abolished by the present Government. It is now realised that there is need for some such commission to keep an eye on Central and State Government expenditure which has assumed the alarming dimensions of Rs. 45,000 crores a year consuming nearly one-third of the national income against their total revenue of only Rs. 36,000 crores.

Uncontrolled growth: The uncontrolled growth of non-productive public expenditure has led to recurring deficits in Central and State budgets making it almost impossible to bridge the gap by merely stepping up taxes to raise additional resources in a country that is already soaked to the maximum.

Money lent to Govt: The figures available for the period April to August 1982 indicate that the banks have invested in Government loans and bonds Rs. 3,200 crores at interest

ranging from 6.5 to nine per cent, while commercial borrowings at an average of 18 per cent interest amounted to only Rs. 870 crores. The money loaned to the Government through treasury bills and bonds at cut-rate interest has been raised through public deposits attracting 10 per cent interest.

It is, therefore, felt that an expenditure commission headed by a prominent political personality with Cabinet rank could exercise some check on public spending, while the Economic Reforms Commission could concentrate on the restructuring of the administrative machinery to ensure greater efficiency in the use of the available resources for achieving better results.

IMF team's study: An IMF team, headed by Mr. Tun Thin who is well acquainted with India's economic problems, is now in India taking a critical look at the Government's taxation, borrowing and expenditure policies before a final shape is given to the next budget. The Fund's orthodox approach to these inter-related issues is well known, and the conditionality attached to its loans entails the observance of several restraints in the country's economic management.

This has also led to some serious distortions in the Government's borrowing policies, compelling banks to pay high interest rates to attract deposits, lend thousands of crores of rupees to the Government at considerably lower rates and try to make good the loss by charging exorbitant interest on commercial borrowings which inhibit growth and impede export performance. This is the only

country where the Government utilises the banking system to finance its spending spree in such an unfair manner, making an already heavily taxed community to bear the burden of highly subsidised public loans.

One way of curtailing unproductive expenditure, according to economic experts, is to follow the example of countries like Britain, France and the United States where the governments are required to pay two to three per cent more than the prevailing bank rate on such borrowings from public or private financial institutions. There is a provision in the Constitution, under Article 292, which enjoins the Government to confine its borrowings to certain limits fixed by Parliament from time to time, but this has never been done since the obligation has not been made a mandatory requirement.

The steady erosion of the value of the rupee in the wake of the inflationary pressures generated by growing public expenditure leads to periodic talk of devaluation. The strong denials by the Government of any such intention do not really help to restore confidence in the rupee since the very speculation about possible devaluation is no less damaging in the long run. It undermines the public faith in the Government's capacity to display the necessary firmness of purpose and administrative capacity in curbing wasteful expenditure and utilising the available resources for increased production.

CSO: 4600/1290

FINANCE MINISTER ADDRESSES CHAMBERS OF COMMERCE

Madras THE HINDU in English 12 Nov 82 p 7

[Text]

COCHIN, Nov. 11.

The Union Finance Minister, Mr. Pranab Mukherjee has said that the tax structure would be rationalised.

Addressing a joint meeting of three chambers of commerce here on Wednesday he said various recommendations and suggestions were before the Government in this regard. "However, the whole picture is so complex I am afraid whether in the name of rationalisation we are only going to make the situation more complex."

Mr. Mukherjee said he could not say anything further on the subject as from now on up to February he would be only "listening to all suggestions with"

Non-Plan expenditure: The Minister agreed with the chambers that non-Plan expenditure which was increasing considerably caused concern to everyone. However, he pointed out that such expenditures were made in certain vital sectors like Defence and maintenance of law and order. "When divisive and disintegrating forces are raising their heads it will be extremely difficult for the States or the Centre to take a risk by reducing the expenditure in these areas."

Mr. Mukherjee who drew a rosy picture about the current economic state of affairs in the country especially compared to what it was two years ago said that the restrictive and selective credit policy had its impact in the industrial and economic activities. He contended that adequate credit was available to meet the genuine productive needs of various industrial sectors.

Regarding reports on recession in the heavy vehicles industry Mr. Mukherjee said the producers were accustomed to living in a sellers market and in that the process of aggressive salesmanship which was an important part had been forgotten. A situation had been created in which the consumer or the buyer had no choice and if at present they could buy their vehicles off the shelf it should be a welcome development.

Referring to some of the points raised in his welcome speech by Mr. N. P. Ouseph, president of the Indian Chamber of Commerce, and in the memorandum presented by Mr. B. S. Desai, president of the Cochin Chamber of Commerce, the Minister said the complaint that interest rates on advances were on the high side was true. He had been asking the banks to improve their efficiency and reduce operation cost. But they must remember that the banks were functioning under certain restrictions.

In his welcome speech, Mr. Ouseph requested the Government to adopt a flexible lending policy towards the grain trade in general and the traders in deficit States in particular.

The memorandum drew the attention of the Minister to the long delays on the part of State Electricity Boards to lift the materials against orders placed by them. It also referred to the 'liberal import' of formic acid and said that this policy had destroyed the viability of the two units set up in Kerala and one unit had to be closed for a couple of months.

Mr. V. O. Mathai, president of the Ernakulam Chamber of Commerce, proposed a vote of thanks.

No foodgrain shortage: Talking to newsmen later, Mr. Mukherjee deplored attempts to create a panicky situation regarding availability of foodgrains. He said the situation was serious but it would not be anybody's interest to create panicky situation which would only encourage the traders to hoard and speculate.

The drought and floods in many parts of the country had reduced the anticipated foodgrain output by only 5 to 6 million tonnes. As against the expected 78 million tonnes in the kharif crop, they would now be getting around 72 or 73 million tonnes. But the country had good bufferstocks and had imported 2.5 million tonnes of wheat. The procurement at the end of third week of October was 7.7 million tonnes, more than a million tonnes in the previous year.

The problem, Mr. Mukherjee said, was that some of the State Governments had not made procurements as expected and consequently there were problems in rushing foodgrains to such areas.

Asked about the remark of Mr. E. M. S. Namboodiripad that starvation deaths were imminent in the country, the Minister said even in West Bengal such a statement had not been accepted by the Government there.

The Finance Minister said that he had already cleared Central assistance to three or four States which had suffered heavy losses due to floods and drought.

In answer to a question, Mr. Mukherjee said he had no political mission during his current visit to Kerala but would be conferring with colleagues as usual. He would not say anything about the issue of merger of the Congress (Anthony) and the Congress (I) in Kerala except

drawing attention to the remarks of the Prime Minister calling for a broad-based unity for tackling certain vital issues facing the country like national integration. He had no plans to meet Mr. A. K. Antony, KPOCC (AU) president during his current visit, he said.

Overdrafts: About the overdraft position in the State, Mr. Mukherjee said while Rs. 1.743-crore outstanding overdraft of all States put together at the end of March 31 had been converted into medium term loans, the outstanding overdrafts between the period from April 1 and June 30 this year had been cleared by the Centre as advance Plan allotment to be repaid before the end of March 31, 1983. Because of the strict directives issued by the Centre the States had begun tightening up expenditure, he said.

CSO: 4600/1308

REPORTER OUTLINES IMPROVEMENTS IN ECONOMY

Bombay THE TIMES OF INDIA in English 15 Nov 82 pp 1, 15

[Article by D.G. Guptel]

[Text] Bombay, November 14--On the eve of the new Samvat Year 2039, the prospects of the Indian economy can be considered reasonable, though not as bright as it was a year ago. Though there are some dark spots on the horizon, on the whole, the economy looks brighter.

Inflationary surge of the earlier years has abated and substantial progress has been made towards the establishment of a monetary environment conducive to stable prices. Another reassuring aspect of development over the past two years has been the sustained increase in agricultural output. Industrial production [words blurred] a growth largely through better utilisation of capacity.

Measures taken towards the improved use of existing energy resources and development of additional sources of energy should stand in good stead in the coming years.

On the external front, the massive loan of SDR 5 billion (equivalent to US \$5.65 billion) from the International Monetary Fund (IMF) under the extended fund facility should help in meeting the shortfall in external resources.

But the expected decline in food output in the current year following the failure of the monsoon in several parts of the country, recessionary tendency in some sectors of industry coupled with cost escalation, increasing labour unrest, slow pace of achieving physical targets despite increased plan spending by the Central and state governments, continuing political agitation in some parts of the country and the likely emergence of the price spiral should cause concern and will demand continued vigilance.

However, with a good base that has been created in the past few years and the resilience that the economy has shown in adjusting to the changing situations, it should not be difficult to get over the humps in the path of progress.

Despite somewhat unfavourable weather conditions in some parts of the country the output of foodgrains and commercial crops improved last year. The erratic behaviour of the southwest monsoon and unseasonal rains in April-May 1982 did cause worry to the farming community. However, the total foodgrain production in 1981-82 is expected to be marginally higher at 132 million tonnes against 130 million in the previous year.

The output of oilseeds is likely to be higher at 11.5 million tonnes against 9.4 million tonnes in 1980-81, thanks to the efforts made in the past few years towards intensive and extensive cultivation. Sugarcane production, which is known for its cyclical nature, touched a new high of 185 million tonnes in 1981-82 against 150.5 million tonnes in 1980-81 and 129 million tonnes in 1979-80. Cotton production was also higher at about 8 million bales in 1981-82.

The foodgrain output seems to be levelling off and ranging between 132 million tonnes and 134 million tonnes in the past few years which is much lower than the sixth plan target. Efforts will thus be needed to concentrate both on intensive and extensive agriculture and fresh investments on them.

The consumption of fertilisers has risen from 55.2 lakh tonnes in 1980-81 to 61.3 lakh tonnes in 1981-82. The production of chemical fertilisers is expected to rise in the coming year. But with high prices for these fertilisers, farmers have been showing resistance to the use of costly fertilisers.

Although the procurement of wheat and rice has been higher in their respective marketing seasons of 1981-82 than in the previous year, a sizable portion of wheat procured was damaged by the unseasonal rains in April-May 1982. To take care of the likely gap between supply and demand, imports of 2.26 million tonnes of wheat have been arranged. The offtake from the public distribution system has been about 1.5 million tonnes more than in the previous year.

If the foodgrains prices in the coming year are maintained at a high level the pressure on the public distribution system can be expected to increase further and the buffer stocks built up by the food procurement agencies might prove inadequate.

Uneconomical Levels

Sugarcane output in the 1982-83 season is expected to be maintained at the high level achieved in 1981-82. With prospects of sugar prices remaining at uneconomical levels, there is likely to be a shift of a part of land under sugarcane to other crops in the coming year. Indications are that the output of oilseeds and cotton will be lower in the ensuing year than in the previous year.

Since the production of oilseeds continues to fall short of the demand necessitating imports, efforts of some state governments to increase the production of oilseeds need to be intensified further.

With improved infrastructural facilities like higher coal output, larger power generation and better turnout of railway wagons, production in several sectors of industry increased sizably during 1981-82. The index of industrial production rose by 9.3 percent in 1981 against only 0.7 percent in 1980.

The growth in industrial output has been achieved largely by better utilisation of existing capacities. The pace of creating new capacities continues but at less than the desired speed.

Since the beginning of 1982, recessionary conditions have been noticed in several sectors of industry, causing concern to businessmen. The rise in the industrial index in the first half of 1982 has been nearly half that in the same period of 1981. Although official quarters are optimistic that the industrial production may grow by five to seven percent in 1982, industry circles seem sceptical about achieving this level.

The industrial sector has to adjust itself to a less rapid increase in prices. In an inflationary situation there is generally a tendency on the part of industry and trade to pile up stocks. With declining prices and prospects of continuation of this trend, the general tendency is to liquidate stocks which, in turn, results in production cuts in some cases. Industry circles only hope that this will be only a temporary phase and that it will not lead to a continuous fall in the aggregate demand. Adjustments in fiscal and monetary policies will be needed to reverse the present trends and maintain the overall demand at a fairly high level.

Production Maintained

The production of steel and steel products has been maintained at reasonable levels in the past few months but the accumulation of stocks with the main steel producers and the declining prices have been a matter of concern. After the partial decontrol of cement from March 1982 cement prices had stabilised for the first few months. In recent weeks, however, the upsurge in non-levy cement prices has been in evidence. If this trend continues the offtake might slacken besides increasing the cost of projects involving the use of cement.

The situation on the power front continues to be serious. The sixth plan target has been fixed at 19,600 MW. However, it would be creditable for this sector even if it achieves a level of 15,000 MW by the end of the plan period. On present reckoning, this level is unlikely to be reached. Several states continue to face acute power shortage which has affected both the farm and industrial sectors. Underutilisation of capacities, bad maintenance and heavy transmission losses continue to plague units in the public sector in particular.

Labour unrest in several important industrial belts has had their inevitable impact on the industrial sector in the past few years. There are as yet no signs of any significant improvement on the labour front. If there is a rise in the general price level, labour unrest as a sequel to higher demands by labour and inability of the industry to meet them are bound to be intensified.

The growth in the general national product (GNP) has been lower at 4.5 percent in 1981-82 against 7.5 percent in 1980-81. The increase in GNP during 1980-81 and 1981-82 have been brought about mainly by the sustained increases in agricultural and industrial output. Looking to the trends in these two sectors, the growth in GNP in 1982-83 is unlikely to be maintained at even the 1981-82 level.

The Union planning minister, Mr S.B. Chavan had recently admitted that it might be difficult to achieve the sixth plan target in some of the key sectors. Although the Central government as also a majority of states have exceeded the resource mobilisation targets for the first three years of the plan, physical targets remain to be achieved in several key sectors. Despite the oft repeated improvement in the working of the public sector units, the goal seems too far away.

The capital market remained generally buoyant during 1981-82, with a phenomenal increase in the direct mobilisation of funds by the private sector. Capital raised through equity and preference shares and debentures in 1981-82 totalled Rs 388 crores which was nearly four times the amount raised in the previous year. In 1982-83 the figure is expected to rise to Rs 700 crores and further to Rs 1,000 crores in 1983-84. With the liberalisations announced by the authorities to make debentures attractive as also encourage share investments by non-residents in Indian companies, the private sector companies were able to raise larger resources from the market and reduce their dependence on institutional support correspondingly. Larger units in the private sector have benefited from the recent upsurge in the direct access to the capital market.

The potential for tapping non-resident investments in shares of Indian companies is great. Certain impediments like procedural delays need to be removed by the authorities besides offering tax concessions on such investments.

For the Bombay Stock Exchange, the Samvat Year 2038 proved to be a turbulent one with unprecedented payment crisis more than once during the year, shaking the confidence of small investors and attracting the government's attention. Although the stock exchange authorities took corrective measure such as imposition of margins, the inadequacy of such measures in saving critical situations was proved beyond doubt.

Over the year, the share price index recorded a net decline of 1.8 percent against the sizable rise of 20.5 percent in the previous year. With the recessionary conditions prevailing in several sectors of industry, demand for shares in the market is likely to be selective. Response to public issues of shares and debentures is also likely to be selective with investors having become choosy.

Significant Achievement

Containment of inflationary pressures has been a significant achievement of the last year. The price index in early October 1982 has shown a net increase of only 1.3 percent compared to the level a year ago. The containment of inflationary pressures has to be viewed in the context of the conditions in several developed and developing countries.

On a point to point basis, the wholesale price index (base: 1970-71 = 100) rose by just 2.1 percent during 1981-82 against an increase of 15.7 percent in 1980-81. This has been achieved by better balance within supply and demand in the economy.

Aggregate monetary demand, as measured by the growth in money supply, was restricted and the availability of goods improved because of higher production and larger imports. The Reserve Bank of India initiated several measures in succession to mop up the liquidity with the banks and dampen the overheated economy.

In retrospect, it would seem that the monetary measures of the RBI which were considered hard were useful in arresting deterioration of the situation.

When the RBI understood that it could relax its credit policy, it did not lose time in taking corrective steps. From July 1982 the credit curbs have been relaxed significantly, although the flow of funds into the economy still continues to be regulated.

It remains to be seen how much the economy will be able to tap the funds available and get out of the sluggishness facing some sectors. As one banker put it, the economy is like a patient cured of a serious illness and allowed to eat normal food. But having been deprived of such food for long, the patient takes time to come back to his health. So also the economy.

The widening of the trade deficit had caused concern to authorities in the past. The recent arrangement under the IMF extended fund facilities provides a breathing time for undertaking important structural changes in India's imports and exports. With the accelerated programmes for oil exploration and production, the ratio of imported oil products to the total availability is likely to decline considerably in the next three years.

CSO: 4600/1318

INCREASE IN PUBLIC ENTERPRISE PRODUCTION REPORTED

New Delhi PATRIOT in English 13 Nov 82 p 7

[Text] Total production of public sector undertakings in September this year was valued at Rs 3454.04 lakhs, it being 95.91 percent of the target of Rs 3601.10 lakhs. This shows an increase of 34.29 percent over that of September 1981 (Rs 2572.02 lakhs), reports PTI.

The cumulative production during the first six months of the current year (1982-83) was valued at Rs 18300.61 lakhs, 90.13 percent of the target of Rs 20302.47 lakhs. This was 31.22 percent higher than the production of Rs 13946.33 lakhs in the corresponding period last year, says PTI, quoting an official release in Delhi on Friday.

The production of Cycle Corporation of India Ltd during the month has been of Rs 100 lakhs 111.11 percent the target of Rs 90 lakhs and 5.67 percent less than the production of Rs 106 lakhs in September 1981.

Cumulatively, the production during the first six months of the current year (1982-83) has been of Rs 721 lakhs 101.40 percent of the target of Rs 711 lakhs and 18.72 percent less than the production of Rs 887 lakhs in the corresponding period last year.

The production of Andrew Yule and Co. Ltd during the month has been of Rs 231.22 lakhs, 109.30 percent of the target of Rs 211.53 lakhs in September 1981.

Cumulatively, the production during the first six months of the current year (1982-83) lakhs, 101.68 percent higher than the production of Rs 735.81 lakhs in the corresponding period last year.

The production of Hindustan Photo Films Manufacturing Co Ltd during the month including items of jumbo rolls has been of Rs 788.73 lakhs, 104.54 percent of the target of Rs 754.46 lakhs and 12.10 percent higher than the production of Rs 703.55 lakhs in September 1981.

In quantitative terms, the production during the month has been of 11.02 lakhs sq metres against 12.01 lakhs q metres in September 1981.

Cumulatively, the production during the first six months of the current year (1982-83) has been of Rs 3705.13 lakhs, 87.98 percent of the target of Rs 4211.32 lakhs and 19.40 percent higher than the production of Rs 3103.03 lakhs in the corresponding period last year.

The production of National Instruments Ltd during the month has been of Rs 36.81 lakhs, 103.92 percent of the target of Rs 35.42 lakhs and 16.67 percent higher than the production of Rs 31.55 lakhs in September 1981.

Cumulatively, the production during the first six months of the current year (1982-83) has been of Rs 188.48 lakhs, 94.52 percent of the target of Rs. 190.94 lakhs and 17.67 percent higher than the production of Rs 153.37 lakhs in the corresponding period last year.

The production of Cement Corporation of India Ltd, was Rs 784.12 lakhs in September 1982, 101.25 percent of the target of Rs 774.42 lakhs. It was 81.86 percent higher than the production of Rs 431.16 lakhs in September 1981.

The cumulative production during the first six months of current year (1982-83) has been valued at Rs 4148.00 lakhs, 93.15 percent of the target of Rs 4435.67 lakhs and 98.72 percent higher than the production of Rs 2087.31 lakhs in the corresponding period last year.

CSO: 4600/1303

STAND ON INDO-BANGLADESH RIVER MEETING TOLD

New Delhi PATRIOT in English 14 Nov 82 p 7

[Text] Calcutta, Nov 13 (UNI)--The India-Bangladesh joint rivers commission would meet in Delhi from 21 to 24 December, Union Irrigation Minister Kedar Pande said today.

Mr Pande, who was on his way to Delhi from Nagaland, told newsmen at Calcutta airport that the Joint Rivers Commission meeting would examine the proposals of the two countries for augmentation of the Ganga flow at Farakka for pre-feasibility study.

He told a questioner while India stood by its proposal for constructing a Ganga-Brahmaputra link canal for augmenting the flow, the Bangladesh proposal for building dams on the upper reaches of the Ganga by associating Nepal would also be examined. India was, however, against making it a trilateral affair by associating Nepal and had always wanted it to be a bilateral one with Bangladesh, he said.

Mr Pande said the interim sharing arrangement of the Ganga waters at Farakka during the dry season from January to May would continue for 18 months under a new agreement worked out between the two countries during Gen Ershad's visit.

Unlike the old agreement which expired on 5 November, there was co-guarantee clause in the new agreement for supply of more water to Bangladesh if its availability was below the normal, he said, whenever there were such shortage of water, it would have to be shared by both countries after mutual discussions, he said.

Mr Pandey said the next Brahmaputra board meeting, which would be held in Kohima soon, would consider construction of a hydel power project of 106 MW capacity of Doyang, a tributary of the Brahmaputra in Nagaland.

The Brahmaputra board deals with flood control, irrigation and hydel power generation schemes of the river and its tributaries.

The Centre, he said, had a long-term plan for constructing at least 20 dams on the Brahmaputra and its tributaries in the northeastern States and Union Territories including Arunachal Pradesh to generate a hydel power capacity of 50,000 MW. The total cost of the construction was estimated at Rs 20,000 crores and the World Bank might be approached for funds, he said.

INDIA

ENGINEERING GROUP LEADER REPORTS ON PRC VISIT

New Delhi PATRIOT in English 14 Nov 82 p 7

[Text] Calcutta, Nov 13 (PTI)--The People's Republic of China offers good scope for the export of engineering goods from India, according to chairman Federation of Engineering Industries (eastern region), M.D. Jindal.

Mr Jindal, who was a member of a trade delegation of the federation to China, Japan, Korea and Hong Kong told PTI on his return that the goods acceptable to them were agricultural machinery, motor vehicles and their parts, pipes and tubes, diesel engines and Indian bicycles and their components.

India could import ferrous and non-ferrous metals from China in return, he said.

Mr Jindal favoured further cultivating of the market by sending more trade delegations, goodwill missions and by exchanging technical and scientific personnel from both sides. China was looking for intermediate technology which India could meet adequately, he said.

As regards Korea and Japan, he said, the imported technology from these two countries could be used in the exports processing zones and the 100 percent export-oriented units. If the Centre offered fiscal and financial incentives, similar to those in Korea and Japan, the scope for increasing Indian exports to these countries would enlarge, he added.

India should try to secure more sophisticated technology from Japan which was eager to help India in promoting third country exports.

South Korea was not only interested in setting up engineering industries and cooperated in the electronics sector but also in buying more from ore and tobacco. Collaboration with Hong Kong would give a commercial opening to mainland China for India, he added.

CSO: 4600/1303

TRADE PACT WITH ETHIOPIA SIGNED IN ADDIS ABABA

New Delhi PATRIOT in English 14 Nov 82 p 8

[Text] Addis Ababa, Nov 13 (PTI)--India and Ethiopia today signed a trade agreement to facilitate, strengthen, diversify and expand trade between the two countries.

The agreement, which was signed here by Commerce Minister Shifraj Patil and Ethiopia's Foreign Trade Minister Wollie Chekol, would be valid for three years. It also provides for automatic renewal for another three years unless termination is sought by any one of the parties.

The agreement was reached at the conclusion of the three-day visit of Mr Patil who had a two-hour meeting with the Ethiopian Head of State and detailed discussions on trade and other bilateral matters with six important ministers and chairman and general secretary of the Central Planning Supreme Council of this socialist country in East Africa.

India and Ethiopia have excellent political relations and this first high-level visit from India after the revolution here in 1974 will go a long way in cementing further the traditional ties between the two countries.

It has also helped in understanding better the problems of development of the two countries and find ways and means of expanding trade, economic and technical cooperation between them.

India's exports to this country have been showing an upward trend since last two years with the figure crossing fifteen million birr (roughly eight million US dollars) in 1981.

This trend has been continuing this year and the exports in the first five months reached the figure of 10.5 million birr (about five million dollars).

Ethiopia has a very ambitious education programme with the target of total literacy by middle of 1986. Its progress in this field has been commended by UNESCO.

Indian school and college level text books are increasingly doing well in this market. English being the medium of instruction, language is no problem and only a couple of weeks ago some Indian firms have won tenders totalling nearly Rs 50 lakhs for the supply of educational aids and equipment.

Army software is another item with attractive potential. With the second largest military force in South of Sahara, next only to South Africa, Ethiopia is a major importer of army software.

Last year India won a tender for the supply of army blankets worth Rs 105 crores. Observers of Indo-Ethiopian scene believe that the picture in respect of this particular category of export would have been much better if Indian manufacturers and suppliers had given a better account of themselves.

However, the trade with this country has essentially remained one-sided. India's imports from this country was just about 50,000 dollars in 1981. Unless some important raw materials like potash of which Ethiopia has known big deposits is successfully mined and developed and for which India could be a sizable market, the prospects of the imports picking up looked poor.

Cement, oilseeds, gum, arabica and cotton are perhaps some other possible items in respect of which India's interest could be examined.

Coffee, the mainstay so far of Ethiopian exports, has obviously no export potential for India and the same would possibly apply to hides and skins as also handicrafts.

CSO: 4600/1303

COMMERCE MINISTER SPEAKS TO MISSION HEADS IN AFRICA

Today THE TIMES OF INDIA in English 11 Nov 82 p 5

(Text)

ADDIS ABABA, November 10,
(PTI)

INIA would increase its participation in the development of African countries in a big way and Indian missions in the continent had a very special role to play in the contemplated efforts to enlarge bilateral co-operation, trade and joint ventures, the Union commerce minister, Mr. Shivraj V. Patil, said today.

Addressing a conference of the heads of missions here, he said, the Indian involvement so far had been marginal and the existing trade as well as participation in developmental ventures was low compared to the vast potential offered by Africa.

The conference, the first of its kind convened by the minister, will make a in-depth study of joint venture possibilities and chart a commercial strategy for the eighties ahead.

Mr. Patil said the African continent had tremendous growth potential and above estimated economic resources. In the initial stages of expansion these countries required not only capital equipment, machinery and a host of engineering goods, but also a variety of consumer items.

CREDIT EXTENSION

There were a number of factors favourable to India which with its rich natural resources also had the technology suited to the requirements of these countries attempting to come out of their backwardness. "We must respond to their call quickly and adequately," he said.

India's larger involvement with Africa necessitated extension of credit and steps were being taken to

alleviate burden and delays in that direction. An important decision of the government in this regard was the evolving of a coherent and viable credit policy based on a detailed assessment of all relevant factors.

Mr. Patil said a number of trade agreements signed recently with many African countries had created the right climate for a closer relationship with them. A significant step had been India's membership of the African development fund and the African development bank.

QUALITY ASPECT

He said the commercial wings of the Indian missions would be strengthened. The engineering export promotion council would open an office in Addis Ababa to facilitate bank-funded projects.

The trade development authority would open an office in Salisbury. A decision had also been taken to strengthen the State Trading Corporation office in Nairobi.

He cautioned that development of trade or joint ventures with African countries was not an easy task and required hard work. Competitiveness in quality was also needed.

Mr. Patil said experience had shown that the results achieved were in direct proportion to the interest and enthusiasm displayed in the missions.

The minister earlier reviewed the external trade situation and the improvement recorded in 1981-82. According to the latest data, overall exports in 1981-82 amounted to Rs 7,781.4 crores compared to Rs 6,710.7 crores in the previous year.

In the first quarter of 1982-83, imports were Rs. 1,881.5 crores (provisional) against Rs. 1,652 crores in April-June, 1981-82.

REPORTAGE ON VISIT OF SAUDI ARABIAN DELEGATION

First After Gandhi Visit

Madras THE HINDU in English 11 Nov 82 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI Nov. 10.

A seven-member Saudi Arabian delegation, representing banking, engineering, petro-chemical, shipping, construction, insurance, agriculture and other interests, arrived in Delhi today for talks with Cabinet Ministers, Government officials and representatives of business organisations on increased Indo-Saudi cooperation in various spheres.

The members of the high-power delegation will meet the Prime Minister, Mrs. Indira Gandhi, the External Affairs Minister, Mr. P. V. Narasimha Rao, and the Finance Minister, Mr. Pranab Mukherjee, besides having detailed discussions with executives of both private and public sector enterprises and representatives of the Federation of Indian Chambers of Commerce and Industry, the Associated Chambers of Commerce, the Association of Indian Engineering Industry and the Export Promotion Council to identify the areas for collaboration.

It is the first such Saudi delegation that has come to India in pursuance of the decisions taken during the Prime Minister's visit to that country in April last to open a new chapter in Indo-Saudi relations.

The five members, two of whom have come in their private aircraft, represent leading Saudi industrial, commercial and financial houses with assets of several billion dollars each and with very close contacts with the royal family. They have come to explore the prospects for Saudi investment in India and also greater involvement of Indian companies in the economic development of the kingdom.

Lavish hospitality: These Saudi business magnates were to have come to India much earlier, but their holiday schedules in Europe and the United States came in the way of an earlier visit. The Government has laid on the most lavish hospitality befitting their multi-billion status to conduct the discussions in a congenial atmosphere.

But their concept of financial investment and industrial collaboration differ considerably from India's ideas of mutually beneficial economic cooperation. At one stage these

Saudi magnates with their close royal family links were interested in buying up some of the princely palaces, besides investing in real estate in cities like Bombay and Delhi.

The Government of India has not encouraged them to put their petro-dollars into such unproductive investments. It has tried to impress on them the vast opportunities open for cooperation in areas where Indian expertise and Saudi capital could be used to mutual advantage.

Better awareness: The Saudi Government also has been impressing on them the need for increased regional cooperation through a more balanced approach to the country's development for transforming at least a part of its phenomenal oil wealth for the socio-economic welfare of their people. This has helped to create among the top-Saudi businessmen a better awareness of India's capacity to cooperate with that country in at least some selective spheres, where there is no need for the very latest technology.

King coming: The Saudi King and the Crown Prince are due to visit India next year to keep up the momentum of closer understanding established during Mrs. Gandhi's visit. From the Indian side, a conscious effort is being made to ensure that the prevailing cordiality at the political level percolates to the economic level to pave the way for increased cooperation.

The religious factor: This has been a hurdle for a long time, with Saudi public opinion frequently misled by Pakistan propaganda alleging ill-treatment of Indian Muslims. But the younger princes of the royal family holding pivotal positions in the Saudi Government are no longer being swayed unduly by such slanderous campaigns.

Subtle changes: The Saudis are now paying due attention to geo-political factors without letting religious considerations totally colour their foreign policy perceptions. Their increasing exposure to western values and ways of life has also made them less intolerant to other cultures. All these subtle changes have helped dispel some of the old prejudices against India and open the way for increased cooperation.

Meeting With Indian Businessmen

Madras THE HINDU in English 13 Nov 82 p 6

[Text]

NEW DELHI, Nov. 11.

The possibility of closer cooperation between India and Saudi Arabia was examined at a meeting here today between a high power Saudi delegation and a business team sponsored by the Federation of Indian Chambers of Commerce and Industry, the Associated Chambers of Commerce and Industry and the Federation of Indian Export Organisations.

Speaking on behalf of the Saudi delegation, Sheikh Sulaiman Abdul Aziz Al Rajhi said entrepreneurs from the two countries could come together to set up joint ventures in India, Saudi Arabia or in third countries.

He identified cement, fertilizers, electronics, particularly computer software, petro-chemicals, hospital equipment and shipping and other industries, including cent per cent export oriented units as possible areas of cooperation.

"India is closer to us than other countries", said Sheikh Sulaiman. The visit of the Prime Minister, Mrs. Gandhi, to Saudi Arabia and her talks with Saudi dignitaries had opened a new chapter in Indo-Saudi relations. The two countries should work in close cooperation for their mutual benefit.

Liberal credit offer: The exchange of views revealed that the Saudi Government offers liberal credit for investment in Saudi Arabia, and the market spans not only Saudi Arabia but other countries of the gulf region.

The delegation made inquiries about taxation rates in India, facilities for the remittance of profit and capital, investment in the equity of Indian companies and, the mechanism for

employment of Indian labour.

The Indian team assured them that some of the difficulties now faced by foreign investors would be brought to the notice of the Government of India.

The present contracting system for the employment of Indian personnel required a review to ensure that the terms and conditions were fair and equitable and the Indian labour contractors did not take undue advantage, it was felt.

The Indian side apprised the Saudi delegation of the problems arising out of the grant of visas by Saudi missions and the terms and conditions for construction contracts.

Technical skills: The Saudi team appreciated the high quality of India's technical and managerial skills. This combined with Saudi capital could be the basis for setting up industrial ventures.

The relaxation given to investors from oil exporting countries which enables them to acquire up to 40 per cent in the equity of Indian companies was brought to the Saudi team's attention.

The members of the Saudi delegation include, Mr. Ghairi R. Pharaon, Sheikh Khalid Zainy Akbar, Mr. Abdul Aziz Al-Mutalek, Sheikh Sulaiman Abdul Aziz Al Rajhi, Mr. Ibrahim Suleh Al Obeid, Sheikh Abdullah Ali Kan and Sheikh Abdullah Fouad.

The Indian team comprised Mr. A. K. Jain, Vice-President, FICCI, Mr. R. P. Goenka, leader of the Indian section of the Indo-Arab Joint Business Council and Mr. Reunaw Singh, President of ASSOCHAM.

Meeting With Gandhi

Bombay THE TIMES OF INDIA in English 14 Nov 82 p 9

[Text]

NEW DELHI, November 13: A Saudi business delegation met the Prime Minister, Mrs. Indira Gandhi, today and hoped that India would continue to play its traditionally important role in regard to the Arab cause and of resolving differences in the region.

The delegation said it had a fruitful exchange of views during discussions with the Indian businessmen and government representatives. Mr. Romesh Rangani, secretary, in the external affairs ministry, was present during the meeting between the visiting delegation and the Prime Minister.

Mrs. Gandhi referred to the partnership and co-operation between the two countries and recalled her recent visit to Saudi Arabia.

The Saudi delegation was told by the finance minister, Mr. Pranab Mukherjee, that the investment climate in India was good as was evident from the large number of joint ven-

tures established here.

He said the tax laws appeared to be complex but the system was quite reasonable. The Saudi delegation said concrete negotiations were under way for collaboration between Indian and Saudi businessmen. It also expressed its satisfaction with the talks with businessmen and government officials.

Mr. D. V. Kapur, secretary, ministry of heavy industry, suggested that while inviting members, specifications must be adhered to in strict conformity to Saudi requirements and not to those of other countries.

Mr. V. L. Desai, AIEI president, asked the Saudi businessmen to invest in 100 per cent export-oriented units in India.

Mr. Desai favoured institutional links between organisations like the AIEI, and its counterpart in Saudi Arabia so that they could work as focal points for bringing businessmen closer to one another.

Leader Talks to Newsmen

New Delhi PATRIOT in English 14 Nov 82 p 5

[Text]

A seven-member Saudi business delegation has informed India that it was 'seriously considering' investments in India in several industrial ventures, reports UNI.

The Saudi delegation which concluded its deliberations in Delhi met Prime Minister Indira Gandhi and Finance Minister Pranab Mukherjee separately.

Delegation leader Sheikh Abdulla Fouad told newsmen they had discussed the scope of co-operation and mutual collaboration between the two countries with the Association of Indian Engineering Industry (AIEI). It had been decided to reopen an office of the AIEI in Saudi Arabia. There should be further visits of Saudi Arabian businessmen to India to increase awareness about the Indian capabili-

ties. Institutional links would be built between business organisations of the two countries so that they could work as the focal points to bringing business together, he added.

Dr Fouad said multi visa system should be introduced so that the Saudi businessmen could visit the country and need not apply for visa every time they wanted to visit the country.

Participating in a meeting with AIEI representatives which

was presided over by Heavy Industry Secretary D V Kapur, it was also proposed to promote Saudi investment in 100 per cent exports units in India using Saudi capital, western technology and Indian expertise.

The scope for Saudi investment in India is believed to have also figured at the meeting between the Finance Minister and the Saudi delegation.

Mr Mukherjee is understood to have explained to the delegation India's achievements in various economic and industrial fields and the areas in which there could be cooperation with Saudi Arabian enterprises.

Senior officials of the Financial Ministry were also present at the meeting.

The Saudi Arabian team consists of Mr Ghaith R Pharaon of Saudi Research and Development Corporation, Jeddah; Sheikh Suliman Abdul Aziz Al Rajhi of Alrajhi Company for Currency Exchange and Commerce, Riyadh; Mr Ibrahim Saleh Al Chaid, representative from Saudi Livestock Company, Riyadh, Sheikh Khaled Zainy of Abbar and Zainy Group, Jeddah; Sheikh Abdullah Ali Kanoo of Yusuf Bin Ahmed Kanoo, Damman; Sheikh Abdul-lah Fouad of Fouad Group, Damman and Sheikh Abdul Aziz Mu-

REPORTAGE ON VISIT OF POLISH FOREIGN MINISTER

Delhi Arrival, Activities

New Delhi PATRIOT in English 11 Nov 82 p 1

[Text] Poland is keen and willing to participate in India's energy development programmes. It can help in setting up small-size thermal power plants in this country.

These were conveyed by visiting Polish Foreign Minister Stefan Olszowski to Energy Minister P. Shiv Shanker in the capital on Wednesday.

Mr Olszowski and Mr Shiv Shanker--who are co-chairmen of the Indo-Polish Joint Commission which met in Warsaw last month--held discussions in New Delhi on the means to enhance bilateral cooperation.

Earlier, Mr Olszowski arrived in the capital to a warm welcome at Delhi airport where Mr Shiv Shanker received him. Additional Secretary in the External Affairs Ministry Dr J.S. Teja and several senior officials were also present to welcome the Polish leader.

This is the first visit by a high-ranking Polish leader to India since the imposition of martial law in Poland last December. Mr Olszowski is on a five-day official visit.

Mr Shiv Shanker told Mr Olszowski that India and Poland had a long record of cooperation and in the recently concluded Joint Commission meeting in Warsaw agreements had been reached on many matters related to trade and technical assistance. He hoped that cooperation between Poland and India would be further strengthened to their mutual advantage.

Mr Olszowski also called on Vice-President M. Hidayatullah and visited the International Trade Fair during the day. His meeting with Prime Minister Indira Gandhi in the evening had to be put off as she had to rush to the cyclone devastated areas of Gujarat.

Speaking to newsmen at the airport, Mr Olszowski, who had visited the country earlier in 1974, said he was happy to visit India once again and hoped that this would contribute to further consolidation of Indo-Polish friendship and cooperation in various fields of economic activity.

In reply to queries, he said though there were some internal problems in Poland, the western press was floating lot of baseless rumours portraying the situation there as serious and disturbing.

Asked to comment on the call given by underground leaders of the banned solidarity union for a nationwide work stoppage in Poland today, Mr Olszowski said there were prospects of further improvement in the internal situation there.

Asked how long the martial law would remain in Poland, Mr Olszowski said, "I am not a prophet," but added that it was a matter of "only a few months now."

He said he would discuss several questions relating to bilateral economic and political matters with Indian leaders and also review the current international situation.

Mr Olszowski will hold discussion with External Affairs Minister P.V. Narasimha Rao on Thursday when the situation in Poland will come up.

Before leaving for Bombay on 13 November he will have another round of talks with Mr Narasimha Rao. He will also have separate discussions with Mr Shiv Shanker.

In Bombay he will visit the Bhabha Atomic Research Centre and fly to Kuwait on 13 November.

Talks, Activities on 12 Nov

New Delhi PATRIOT in English 13 Nov 82 p 2

[Text] India and Poland have reiterated their resolve to continue their political cooperation in international organisations.

The second round of official talks between visiting Polish Foreign Minister Stefan Olszowski and External Affairs Minister P.V. Narasimha Rao in the capital on Friday, was devoted exclusively to bilateral relations between the two countries.

The two sides discussed the issues that had come up at the seventh meeting of the Indo-Polish Joint Commission held recently in Warsaw. These related specifically to Poland's offer to help India in thermal power generation and coal mining, and India's interest in purchase of coking coal and sulphur from Poland.

Mr Olszowski, who met a select group of journalists in New Delhi on Thursday, informed that negotiations on Indian purchase of sulphur were currently proceeding. He stated that the target set for bilateral trade turnover this year was likely to be exceeded. Poland was fully capable of meeting the export requirements according to the trade protocol since the branches of industry producing the commodities mentioned in it were not adversely affected by the present disturbances in Poland.

An official Indian spokeswoman told newsmen that Poland had shown interest in signing an agreement with India on scientific and technical cooperation, as also in the fields of education and health.

A new cultural exchange programme between the two countries would be signed shortly, she added.

Mr Olszowski, who was to leave for Bombay on Friday evening, has postponed his departure by 24 hours because of his inability to meet the Prime Minister on account of her preoccupation. He is now scheduled to call on her on Saturday afternoon.

Report on Statement

New Delhi PATRIOT in English 14 Nov 82 pp 1, 7

[Text] Poland's readiness to reorient its foreign policy course in the direction of enhanced political and economic cooperation with developing countries and its full support for the non-aligned movement were emphasised by Polish Foreign Minister Stefan Olszowski during his official talks with External Affairs Minister P.V. Narasimha Rao.

Prime Minister Indira Gandhi told Mr Olszowski who called on her on Saturday that she desired further strengthening of cooperation and development of relations between India and Poland.

She also underlined Indian sympathy to Poland in the present situation.

Mr Olszowski also apprised Mrs Gandhi of the latest political and economic situation in his country.

He delivered a letter from Polish Prime Minister Woziech Jaruzelski personally addressed to her.

Mr Olszowski later told newsmen that the talks were held in a warm and cordial atmosphere. He left for Bombay in the evening and is due to emplane for Kuwait on Sunday morning.

The Polish Minister, according to a statement, also stressed the constructive and inspiring role of India as the host of the (VII Non-Aligned) Summit.

He further expressed the conviction that the summit in New Delhi "would contribute to the consolidation of the non-aligned movement based on the principles formulated by its founders."

The two sides condemned Israel's expansionist and aggressive policy in West Asia as a "flagrant violation of the UN Charter and elementary norms of international law" and demanded immediate Israeli withdrawal from all Arab territories illegally occupied by it. They stressed the need to take into consideration fundamental and just rights of all the interested sides and above all the rights of the Palestinian people.

Both sides extended support to the UN resolution regarding transformation of the Indian Ocean into a peace zone.

While Mr Olszowski apprised Mr Narasimha Rao of the steady and gradual improvement of the economic situation within Poland Mr Rao reaffirmed India's consistent support.

Mr Narasimha Rao, the statement read, shared Mr Olszowski's view of the factors endangering peace and underlined that "economic development is incompatible with the race of armaments."

Both sides expressed particular satisfaction at the smooth cooperation in mining, energy and shipbuilding as testified by the decisions of the seventh session of the Indo-Polish Joint Commission in Warsaw last October.

Mr Narasimha Rao has been invited to visit Poland. Mr Rao has accepted the invitation.

CSO: 4600/1302

PROSPECTS OF TRADE WITH LATIN AMERICA NOTED

Madras THE HINDU in English 11 Nov 82 p 8

[Editorial]

[Text]

"IN RECENT YEARS India's trade with Latin America has grown fast. Exports, according to official computations, have increased at an annual rate of 5.5 per cent and imports by 223.9 per cent. The point has also been made in the computations that the growth rate of imports from Latin America is the highest for any region in the world. In value terms, all this does not add up to very much. Exports are around Rs. 20 crores annually with imports at Rs. 105 crores. Latin America thus accounts in value terms for 0.3 per cent of India's total exports and 0.8 per cent of the country's imports. The composition of the two way trade is yet more revealing. Exports consist of jute products, lac and shellac, natural gums, spices and handicrafts. Only now an attempt is being made to diversify the trade by selling (in Latin America) dyes and intermediates, cotton textiles and garments, automobile parts, and components, diesel engines and parts, bicycles and parts, hand tools and cutting tools, telephone equipment, office machinery and electric motors. On the import side, the main items are petroleum crude (which accounts for the bulk of the import bill), soyabean oil, tung oil, wax, cotton, uncut diamonds and emeralds, non-ferrous metals, iodine, ores and concentrates of tungsten, phosphoric acid, citric acid, paper and fishing trawlers. Venezuela, Brazil, Argentina and Mexico account for 70 per cent of India's total exports and 88 per cent of the imports in this region.

At the recent seminar in New Delhi (on Indo-Latin American and West Asian trade and economic cooperation) organised by the Indian Institute of Foreign Trade, the representatives of

Latin American countries asked for the identification of joint ventures as the means to strengthening economic ties. The 12-member delegation of the Federation of Indian Chambers of Commerce and Industry which visited Latin America in 1981 discovered prospects for Indian tie-ups in Venezuela and Colombia for the modernisation and management of their textile, sugar and cement industries. In Argentina the delegation found opportunities in the sphere of construction and consultancy in a wide number of projects relating to transport, communication, power generation, pharmaceuticals and rice milling. In Brazil there was interest in establishing units for the manufacture of jute goods and Mexico was seeking joint ventures for the improvement of its railways and the firming up of the technology of its sugar and cement units. But the question remains whether at this point of time — nothing has gone right for Mexico and other countries for some months now — India will find the results of any effort in this direction rewarding enough. One suggestion made during the visit of the FICCI delegation was that the vast hectarages available in Argentina and Brazil could be utilised by India for producing pulses and oilseeds on a buy-back basis. The main handicap was seen to be the absence of regular shipping services. At the New Delhi seminar, it was indicated that Argentine Lines would make direct contact with Indian ports from March-April next year. If the progress here should be real, India has to begin exploring what it can do on a reciprocal basis if some of its own shipping tonnage is also allotted for trading with Latin America.

CSO: 4600/1299

MEMORANDUM BOOSTS INDIAN TRADE WITH PAKISTAN

New Delhi PATRIOT in English 12 Nov 82 p 7

[Text]

ISLAMABAD, Nov. 11 (UPI) — The Lahore Chamber of Commerce and Industry and the Punjab - Haryana-Delhi Chamber of Commerce and Industry (PHDCCI) yesterday signed a memorandum aimed at boosting the trade between the two countries.

This was stated by Mr V. P. Punj, leader of the 22-member visiting delegation and president of PHDCCI while addressing a banquet hosted in his delegation's honour by Mr Salim Monnoo, a noted industrialist of Pakistan.

Mr Punj said the trade could get an immediate boost if the present procedures were simplified and the Wagha border was opened. He said both chambers should make concerted endeavours in this connec-

tion and make frequent visits between the two countries.

He said the trade and production of the two countries should be complementary to each other and they should purchase grain from each other in case of drought instead of purchasing it from other countries at higher rates.

Earlier Mr Monnoo stressed the need to improve trade relations between India and Pakistan. He said the two countries should also exchange balance sheets to fill in the existing information gap.

Mr Monnoo said trade should be allowed in the private sector in such a manner that no adverse effect was imprinted on the industry of either country.

CSO: 4600/1308

POLISH BUSINESS DELEGATION DISCUSSES JOINT VENTURES

Bombay THE TIMES OF INDIA in English 9 Nov 82 p 5

[Text]

BOMBAY, November 8.

THERE are possibilities of conducting joint ventures in third countries by India and Poland in fields like the electric industry, the food-processing industry and construction of railways, apart from increasing bilateral trade, for which there is vast scope.

This was stated by Mr. Giedrak, leader of the business delegation from the Polish Chamber of Foreign Trade, at a meeting with the Indian Merchants' Chamber here today. The main objective of the mission, he said, was to identify new business opportunities so that India could buy more goods from Poland.

Since the balance of payment position between the two countries was in favour of India, Poland can supply more power equipment as such equipment already in use in Koradi and Barwani plants had proved themselves as suitable for Indian needs, he said.

COAL OUTPUT

A big potential also exists in the coal-mining industry, where co-operation can help India as Poland is one of the largest producers of coal with

an output of 300 million tonnes a year. The ship-building industry was also identified as another important area of trade as also the fish-processing industry, in which Poland has gathered vast experience.

The Indian goods in demand in Poland were said to be: dried cakes, raw cotton, yarns, mica, iron and tea. A listless to who buy non-traditional items was also mentioned.

Mr. Giedrak said that the current mission was in furtherance of the talks between the two countries held in Warsaw in October this year, during the seventh session of the Indo-Polish Joint Commission. The agreement reached in the session was that there is a solid basis for immediate development of economic co-operation in particular fields.

It was also pointed out that, but for financial stringency, Poland would buy more Indian goods. A bigger limiting factor, however, was that Indian exports to Poland exceeded the deliveries to India from that country. This can be offset, it is pointed out, if India purchases items which it immediately requires such as textile machinery, chemicals and building and road construction equipment.

CSO: 1600/1289

PTI INTERVIEWS VISITING TUNISIAN FIRST LADY

Bombay THE TIMES OF INDIA in English 9 Nov 82 p 7

[Text]

NEW DELHI, November 9 (PTI) Mrs. Wanda Bourguiba, first lady of Tunisia, has landed India's consistent support to the Palestinian cause and said that at the height of a most cruel and abominable ordeal, the Palestinian people needed the help of countries like India and Tunisia.

In an interview to PTI at the conclusion of her week-long official visit to India, she added that the PLO chairman, Mr. Yasser Arafat, had never ceased to proclaim his willingness to bring about peace through negotiations and in accordance with the United Nations resolution. "The PLO leadership is moderate, balanced and experienced," she said.

She said India and Tunisia had at all times defended just causes and had advocated dialogue and negotiations for the settlement of conflicts.

Mrs. Bourguiba said this was her first visit to India which "is almost as big as a continent."

During her meeting with the Prime Minister, she conveyed greetings from her husband, President Habib Bourguiba, and thanked her for India's stand on the Palestinian cause.

"I am proud of her (Mrs. Gandhi)," she said. "Her role is remarkable considering the heavy duties she carries in a country which is so big and has diverse culture."

In reply to a question, she said her country had an open mind on joint ventures and would explore any field for co-operation with India.

Her visit was to enlarge the area of mutual understanding, she added.

CSO: 4600/1289

SEISMOLOGICAL DELEGATION RETURNS FROM PRC

Bombay THE TIMES OF INDIA in English 9 Nov 82 p 20

[Text] Roorkee, November 8 (PTI)--China has made extensive use of a brick building technique designed by the department of earthquake engineering, Roorkee university.

China has constructed around a million houses using this new kind of brick which can withstand earthquake and other seismic pressures, a spokesman of the four-member delegation which recently visited that country told a group of visiting newsmen here.

The delegation, headed by Dr Jay Krishna, visited Chinese institutes working on seismological studies and has made certain recommendations to the government to make joint efforts in designing new brick-building techniques; as both the country's bulk of the population lives in mud and brick buildings.

The delegation has also recommended holding of Indo-Chinese workshops as a first step in mutual collaboration in this field, Indian expertise can also be made available in conducting surveys in seismic zones.

If these efforts prove successful, the delegation recommended that both the countries could collaborate in planning "deep seismic sounding" and surveys for monitoring "geophysical anomalies" across the Himalayas. These could form part of the Himalayan seismicity project to attain a better understanding of the mechanism of earthquake occurrences there.

It suggested an autonomous institute of seismology on the pattern of the Chinese state seismological bureau to conduct more specialised studies in the field.

CSO: 4600/1290

GANDHI REMARKS ON RELEASE OF BOOK ON SHIVAJI

Bombay THE TIMES OF INDIA in English 9 Nov 82 p 5

[Text]

NEW DELHI, November 9 (UNI): Mrs. Indira Gandhi today called for the revival of the ideals of Chhatrapati Shivaji to preserve the unity and strength of the country.

Releasing a book, entitled "Shivaji and Faces of Maratha Culture", at her residence, Mrs. Gandhi said this was necessary in view of the emergence of certain forces which were not working for the unity of the country.

"This is the time we must follow the ideals of Chhatrapati Shivaji and others who always worked for the unity of the country," she said.

Mrs. Gandhi said India had no territorial ambitions. "Our aim is to defend and safeguard the unity of the country," she added.

Talking about Shivaji's ability to take everyone along with him irrespective of their caste or religion, she said this was relevant even today.

Mrs. Gandhi said there were no short-cuts to success and one must work hard to achieve it, as practised and professed by Shivaji.

Mrs. Gandhi presented the first copy of the book to the Union home minister, Mr. P. C. Sethi, who is also president of the Shri Chhatrapati Shivaji Maharaj Memorial National Committee. A copy each was presented to Dr. Suresh Joshi, author of the book, and Mrs. Sharadchandra Patil, education minister of Maharashtra.

The secretary of the national committee, Mrs. Sumandevi Dhanwani, who welcomed the Prime Minister, gave an account of the work done by the committee to popularise Shivaji's message.

Those present included the information and broadcasting minister, Mr. N. K. R. Salve, the energy and petroleum minister, Mr. P. Shrivastava, and the finance committee chairman, Mr. V. B. Chavhan.

CSD: 4600/1289

GANDHI INUGURATES SUPER THERMAL POWER PROJECT

New Delhi PATRIOT in English 13 Nov 82 pp 1, 7

[Text] Raipur, (MP), Nov 12 (UNI)--Prime Minister Indira Gandhi today laid the foundation of the Rs 1,200 crore Vindhya Super Thermal Power Project here.

She expressed India's gratitude for the "special interest" taken by the late Soviet President Leonid Brezhnev in extending Soviet cooperation in the development of power generation in the country.

Mrs Gandhi also referred to the Soviet assistance in the production of steel and defence equipments and expressed the hope that the friendship between India and the Soviet Union would gain in strength and promote world peace.

Union Energy Minister P. Shiv Shankar and Minister of State Vikram Mahajan accompanied her. She was received by Madhya Pradesh Chief Minister Arjun Singh, State Cabinet Ministers, representatives of the Soviet Union and a number of MLAs from MP and UP.

Mrs Gandhi said it was our endeavour to ensure economic equality, employment to all, social security and health-care because only thus can we ensure peace in the country and strengthen our unity.

She stressed the need for paying special attention to the development of Harijans and adivasis living in backward areas. The country could become strong only with the development of backward areas and backward sections of the people.

She said drought conditions prevailed in many parts of the country and "we will have to keep these also in view." Each problem, however, should be viewed comprehensively and its solution found by mutual cooperation."

The 1,260 MW power project to meet the growing power demands in the western region of the country, is one of the six sanctioned projects under the National Thermal Power Corporation (NTPC).

Dedicated to Nation

Malanjkhand (MP)--Later Mrs Gandhi dedicated to the nation the Rs 120-crore Malanjkhand copper project which will double India's copper production by 60,000 tonnes a year.

Opening the project, Mrs Gandhi said the copper plant being built by the public sector Hindustan Copper Limited (HCL) would help strengthen the economic base of the country.

The plant when completed would effect a foreign exchange saving on Rs 70 crores a year at current prices.

By 1985, when the second stage of its ore concentration plant is expected to stabilise, Malanjkhand would produce concentrated ore for making 23,000 tonnes of copper.

Later addressing a public meeting near the copper plant site, the Prime Minister stressed the need for judicious exploitation of natural resources. Before independence, the natural resources were ruthlessly exploited, but now they had to be used in such a way that they could be preserved for future generations also, she said.

Akali Agitation

Referring to the agitation by Akalis in Punjab Mrs Gandhi said that such agitations were harmful to the country as it endangered its unity.

Mrs Gandhi who arrived here this afternoon on the last leg of her one-day tour of Madhya Pradesh, stressed the need for vigorous implementation of the 20-point programme and said it was the only hope for those who had been left out in the planned development of the country.

Mrs Gandhi concluded her address by extending her Diwali greetings to the people.

Adivasi Conference

Amarkantak, (MP)--Earlier addressing a conference of Adivasis here, Mrs Gandhi said she had been interested in the tribal way of life since her very childhood. The tribals always fascinated her in that they had all along preserved their identity. This identity, she said, must be scrupulously guarded.

The success of the five-year Plans had brought about an increase in agricultural and industrial production, but the benefits had failed to reach the people living in the villages and the tribals and other backward people.

Earlier on her arrival, groups of men and women of the Gond and Baiga tribes performed karma, saila, rena and stilt dances before the Prime Minister.

Mrs Gandhi also released a souvenir brought out by the Adivasi Vikas Parishad on the occasion.

Nearly one lakh people, most of them tribals, had gathered here on the occasion of the Prime Minister's visit to Amarkantak, which wore a festive look characteristic of an auspicious bathing day.

Mrs Gandhi performed ablution in the waters of the sacred Narmada Kund, the origin of the river Narmada in the Vindhya range, and later offered "puja" at the ancient Narmada Devi temple under the guidance of a group of seven priests.

The Prime Minister drove straight from the helipad to the Narmada Kund before addressing an Adivasi conference.

CSO: 4600/1302

INDIA

BRIEFS

DELEGATE ON IMF--United Nations, November 9 (UNI)--India today demanded to know why a United Nations finding that International Monetary Fund loans aided South African arms spending was being suppressed. The Indian delegate, Mr Kamal Nath, told the General Assembly that a study showed South Africa's drawings from the fund during 1975-77 "helped largely to meet increases in her defence expenditures." "Strangely," remarked Mr Kamal Nath, the study, commissioned by the decolonisation committee, had never been published. Why it "did not receive wider circulation is a bit of a mystery." The IMF last week cleared a fresh \$100 million loan to the racist regime over the protests of India and many other countries and very much against the assembly's wishes. "The latest loan would be roughly equal to the increase in South Africa's military expenditure from 1980 to 1982," the Indian MP told the assembly, which is debating apartheid. He wished the loan backers realised that this was "not a vote for development or stability, rather it was a vote for repression, subversion and aggression." [Text] [Bombay THE TIMES OF INDIA in English 10 Nov 82 p 13]

AMBASSADOR FROM OMAN--New Ambassador of the Sultanate of Oman, Abdul Saeed Rashid Al-Baluchi, presented his credentials to the President Zail Singh at Rashtrapati Bhavan on Saturday, reports PTI. Welcoming the ambassador, the President lauded the progress made by India and Oman "tackling problems of development." Tracing the already existing close economic and commercial relations between India and Oman, Mr Zail Singh said that "these relations can be further strengthened to mutual benefit." [Text] [New Delhi PATRIOT in English 14 Nov 82 p 4]

FOREIGN TRADE STATISTICS--New Delhi, Nov 9--India's trade gap in the period April-August 1982 was Rs 2,060 crores. Although it was marginally lower than the Rs 2,290 crores registered in the same period last year, it is still substantial. According to figures released by the Commerce Ministry yesterday exports during the period were worth Rs 3,196 crores and imports Rs 5,256 crores. Exports were said to have increased by 16 percent compared with the same period of last year. The export figure is not complete as returns from some ports have not been included and is expected to be higher. The Ministry expects the growth rate to be 25 percent. Imports during the period increased by 4.4 percent but presumably, these also do not include returns from the same ports and will thus also be higher when the final tally is made. [Text] [Calcutta THE STATESMAN in English 10 Nov 82 p 7]

NEW NAGALAND PARTY--Kohima, November 14 (PTI)--Amidst claims and counter-claims of majority by both the Naga National Democratic Party (NNDP) and the Congress (I), a new political party formed by four elected independents has emerged in the scene and is reportedly having dialogue with both the camps about the possibilities of forming a government on the basis of a "common programme." The members, who have formed the new party 'Nagaland Peoples' Party," in a signed statement here today said that more independents were expected to join them. The NNDP has already claimed that the party strength has gone up to 31 with the joining of seven independents. The Congress (I) has also put a counter-claim of having mustered a majority of 32 with the assured support of nine independents. Mr Husaka Sumi, a former minister in Mr Vizol's United Democratic Front government is one of the members of the newly formed NPP. [Text] [Bombay THE TIMES OF INDIA in English 15 Nov 82 p 1]

WORLD ENERGY CONFERENCE--New Delhi, Nov 8--Over 4,000 energy experts from all over the world are expected to assemble here for the 12th congress of the World Energy Conference from September 18 to 23, 1983 to discuss the mounting challenges posed by current and future energy needs and evolve a comprehensive programme for the development of viable energy base to sustain future development. The congress is being held in Asia for the first time. The chairman of the International executive council of the World Energy Conference, Dr S.O. Hultin, and other top officials of WEC are currently here to oversee arrangements for the congress. [Text] [Madras THE HINDU in English 9 Nov 82 p 16]

CSO: 4600/1293

WEST BORNEO CLEARED OF COMMUNIST REBELS

Kathmandu THE RISING NEPAL in English 22 Nov 82 p 5

[Text] Indonesia's once troubled province of West Borneo has been cleared of communist guerrillas who have been killed or driven away to the Malaysian state of Sarawak, Defence Minister General Mohammad Jusef said here Saturday night.

Talking to newsmen after touring West Borneo, General Jusef said Indonesian and Malaysian troops had been holding joint operations against the insurgents who operated along the border between West Borneo and Sarawak.

The security situation in West Borneo is now good and no single communist guerrilla still operates there, he said.

Local military Commander Brig. Gen. Untung Sridadi is at present drafting plans to have the people participate in the state defence units aimed at

countering any threat or danger that will destabilize the security situation. General Jusuf added.

The communist guerrillas known as Paraku (North Kalimantan peoples army) and PGRS (Sarawak People's guerrilla forces) used to operate along the border Indonesian Borneo and Sarawak for years after President Suharto discontinued the armed confrontation policy of his predecessor, the late President Soekarno, against the Malaysian federation in 1965.

Meanwhile, the government has decided to stop up surveillance on former communist detainees in a bid to prevent the communists from staging a comeback, the armed forces newspaper Angkatan Bersenjata reported Sunday.

Special teams have

been despatched to regions to collect data on released communist prisoners and their present activities, the paper quoted Director General for political and social affairs of the home ministry Tojiman Sidik-prawiro as saying.

The paper said the teams were also charged with enhancing efforts to raise national vigilance in the face of latent communist danger.

Thousands of communists were released from jails after being detained for over a decade without trials for alleged complicity in the abortive coup attempt in 1965.

Six leading Indonesian generals were killed during the coup attempt forcing the army to launch a bloody repression during which thousands of communists and their supporters were massacred.

CSO: 4200/189

INDONESIA

BRIEFS

WADUK OILFIELD PRODUCTION--Jakarta, 2 Dec (AFP)--The American oil company Caltex announced today that its Waduk oilfield in East Sumatra had started production at an initial rate of 10,200 barrels a day. The 39.9 degree gravity crude, which has a high wax content, is shipped to the oil town of Dumai where it will be exported. The Waduk area, which is one of two fields with 17 wells, is expected to produce about 13,000 barrels a day by the middle of next year, the company said. [BK050715 Hong Kong AFP in English 0813 GMT 2 Dec BK]

FOREIGN CAPITAL INVESTMENT--Bandung, 4 Dec (ANTARA/OANA)--Since the government enacted the act on foreign capital investment in 1967 up to September 30 this year the amount of foreign capital investments (PMA) agreed upon by the government totalled 80 development projects with an investment reaching \$11,334.4 million. Looking at the order of the money invested, Japan was leading by about 35.8 percent, followed by Hong Kong with 9.3 percent in PMA, Canada, the United States and the Netherlands, and some other countries in that order, Rasyidi, deputy for research and licencing of the Radan Penanaman Modal (capital) Investment Board [word indistinct] here Thursday. [Jakarta ANTARA in English 1042 GMT 4 Dec 82 BK]

CSO: 4200/200

BRIEFS

TIN PRODUCERS AGREEMENT--The minister of primary industries, Datuk Paul Leong, has described the agreement in principle among tin producing nations to form the Association of Tin Producing Countries as a breakthrough for producers of the metal. The agreement was reached at the fourth ministerial meeting of tin producing countries in Lagos, Nigeria. Datuk Leong says Malaysia is looking forward to the meeting in London in February next year to adopt a charter for the association. This will bring about the speedy establishment of the association to protect the legitimate interest of tin producers. He points out that the association can concentrate on research and development of tin usage and marketing of the metal in competition with aluminium for a greater share of the consumer market. A communique issued by the Lagos meeting said the ministers agreed that the imposition of export control by the International Tin Council should be continued for some considerable time. The ministers expressed concern over the continued release of tin by the General Services Administration of the United States from its stockpile. They called for the suspension of such sales for an indefinite period. [Text] [BK041315 Kuala Lumpur Domestic Service in English 1130 GMT 4 Dec 82]

CSO: 4200/203

MRD LEADERS DISCUSS ROUNDTABLE CONFERENCE

Karachi DAWN in English 28 Nov 82 p 1

[Text]

The political situation obtaining in the country came up for discussion at a meeting of the leaders of the Central and Punjab MRD held here on Saturday evening.

The meeting, which was chaired by the Convener of the Central MRD for the current month, Mr Fatehyah Ali Khan of the Mardoor Kisan Party, and was attended among others by the Secretary-General MRD, Khwaja Khairuddin; Assistant Secretary-General, Muiraj Mohammad Khan, Malik Muhammad Qasim, Rao Rashad of PPP, Mr Aitzaz Ahsan and Mr Hamid Sarfraz of Tehrik-i-Istiqbal particularly reviewed the postponement of the proposed round table conference which was to be held on Nov 11 in Karachi.

While expressing willingness to participate in a fresh RTC, provided it is called by the original convener, Maulana Shah Ahmed Noorani of JUP, the meeting also took note of the Press report that Pir Pagaro was organising a similar conference and the consensus was that the MRD components would have nothing to do with any political move of the Pir unless he stood for full revival of the 1973 Constitution and general elections under it.

The meeting is also reported to have considered the lawyers' struggle for the supremacy of judiciary and for realisation of their rights.

It is also understood to have discussed President Zia's visit to the United States and Canada.

CSO: 4200/193

REPORT ON KARACHI SET-UP UNDER REVIEW

Karachi DAWN in English 25 Nov 82 p 1

[Article by Mujitaba Akhter]

[Text]

ISLAMABAD, Nov 24: The much-awaited report on effective administration of Karachi prepared by a 10-member experts' committee headed by the Federal Secretary, Housing and Works, is being reviewed by the Ministry of Defence, informed sources today told 'Dawn'.

The report containing 41 recommendations were sent to the Defence Ministry to get 'green signal' to avoid any controversy with cantonment authorities in Karachi as some of the areas like Korangi, Drigh Road, Malir, Sadar and Mauripur Road are under Cantonment Board.

The 140-page report deals exclusively with civic issues like water and electricity crisis, pollution, transportation, housing, and poor sewerage system in Karachi.

A committee was set up which held many meetings in Karachi and Islamabad to review the nature of issues of Karachi before formulating a comprehensive report. The informed sources think the report might not be made public in near future because of the nature of recommendations.

These recommendations, formulated some time back, are not considered to be sufficiently effective now as the nature and magnitude of Karachi issues have increased considerably during the years, the sources said.

"The committee in its report has proposed financial assistance, rational allocation of funds and reorganisation of the city set-up as the three major steps to deal with the situation.

The other recommendations include financial commitment to treat Karachi projects as federal projects on the line of SCARP, conversion of existing loans and debentures to KDA and KMC immigrants, declaring certain taxes as purely local taxes, transfer of primary education to KMC, establishment of zonal offices of KMC, legal and administrative support to local government and compensation for resumed lands.

HEALTH MINISTRY'S FUNCTION TO BE REVIEWED

Karachi DAWN in English 3 Dec 82 p 8

[Text]

ISLAMABAD, Dec 2: The administrative functioning of the Health Ministry will be reviewed by a high-powered committee headed by President Mohammed Zia-ul-Haq himself, it was officially learnt here on Wednesday.

The review aims at streamlining the administration by making it more effective, doing away with red-tapism, which is a measure vitally needed in an organisation, closely connected with the human life and national health. The review will also help adopt measures to effect economy in the expenditure on administration.

The President constituted the

committee on the recommendation of the organisation and method (O & M) Division to improve the entire structure of the Health Ministry. The Committee includes the Federal Health Minister, Minister of State for Health, President's Adviser on Health, and Secretary Ministry of Health.

The committee is expected to meet by the end of the next month. Two or three eminent foreign doctors will be invited to have expert opinion on the subject.

The O & M Division finalised its recommendations in three months after a thorough examination of all aspects relating to the functioning of the Ministry.—APP.

CSO: 4200/190

PAKISTAN

PAKISTAN-KUWAIT JOINT VENTURES DISCUSSED

Karachi DAWN in English 3 Dec 82 p 20

[Text] The Investment Advisory Centre of Pakistan (IACP) had been requested to assist private Kuwaiti entrepreneurs in identifying joint venture projects, particularly in the field of agro-based industries, Managing Director, IACP, Mr Reza H. Syed, said in Karachi on Thursday.

The IACP chief said a delegation from conglomerate of Sheikh Sultan bin Essa of Kuwait, led by Dr Khalid Al-Basso, had called on him and discussed the possibilities of working together for identification and implementation of Pak-Kuwait joint ventures.

He said Middle East oil-producing countries were spending about 16 billion dollars annually on the import of food items, which primarily came from the Western countries. Thus, great potential existed for setting up joint ventures in food and other agro-based industries, he added.

The IACP chief suggested a number of such non-traditional agro-based industries as citrus, garlic and castor seed oils, yeast protein for animal feed, specialised dairy products and corn beef. Substantial background materials and statistics, he said, had been provided to the mission by IACP to facilitate their decision in selecting specific industries for joint venture investment.

Dr Al-Basso evinced keen interest in the work of IACP in agro-based industries sector and desired to work closely for mutual benefits, Mr Reza Syed added.-- APP

CSO: 4200/191

EDUCATIONIST INTERVIEWED ON UNIVERSITIES IN PRIVATE SECTOR

Karachi DAWN in English 3 Dec 82 Magazine Supplement p 5

[Text]

Dr. Hamid Qizilbash proposes a radical solution to the long-prevailing quagmire of "non-education" in Pakistan's institutions of higher learning. Given the gravity of the situation, it may well be the only answer — alternate universities run by the private sector.

"A lifetime's passion" is how he describes his involvement with education. Holder of a Ph.D degree in Political Science from the Duke University, USA, he has been with the Panjab University for the last 16 years. He has lectured abroad and his work has circulated him through Fordham University, New York, and the Universities of Illinois and Loyolo (both of Chicago).

The following question-answer sessions gives out his ideas on some of today's burning issues in the field of university education:

Najma Sadeque: Why is that the Panjab University, the leading university of Pakistan, is no longer what it used to be?

Dr. Hamid Qizilbash: Whatever it may seem to the outsider (for example, an out-of-towner such as you) is merely an image that has managed to endure for those who have not had to live in contact with its changes. I suppose that goes for most major institutions in Pakistan. But Panjab University certainly had high standards and

traditions built up over a longer time than it took to bring them down.

N.S.: So quickly that it couldn't have been noticed and arrested?

Dr. Qizilbash: Was noticed but wasn't arrested. I would divide the last 15-16 years into three phases following a downhill trend to what it is now. Now I speak specifically of areas I am in close contact with — Political Thought, Comparative Politics, International Relations, Local Government and Public Administration — all basic categories. Knowledge and the means of imparting them do not remain static. They are constantly growing, altering, adjusting. But our materials and curriculum content have not been changing, updating, accordingly! we have in same books inherited from pre-independence or brought by individual faculties based on training abroad. These tended to establish the actual content. No coherence to the whole idea of a Master of Arts degree. There were considerable differences in the updatedness, quality and relevance of the courses. That was the first phase.

In the late 60s, a revised curriculum was pushed through becoming very much a semi-prototype of the American system. With the semester system, teachers were ostensibly free to design their own syllabi based on evaluated needs. — a individualistic system tailored for the teacher's judgement and student potential. That should have done the trick but it didn't. End of the second phase.

The semester system was jettisoned as irrelevant and malfunc-

tioning. Reasons for failure? — because it didn't grow from ground needs but was imposed from an unfamiliar base to another. By this time — the third phase — the academic society was in the throes of students dominance. There was blackmail, dictatorial attitudes, disrespect.

A lot of qualified and experienced faculty left the university. As the ranks emptied, fresh M.A.s were recruited to teach — people with no experience or research background. Most were in essence no more than of student calibre themselves. Consequently there was a breakdown of discipline and lack of interest on the part of both faculty and students.

N.S.: But I understand a new system has been introduced.

Dr. Qizilbash: In effect, not much better. Now, for example, five papers are required of which two are compulsory and three can be chosen — a proper potpourri: a smattering of everything and nothing in-depth. Currently there is a complete standstill in education in both planning and imparting. There is an inability to take decisions and to move forward. Now students come taught entirely in Urdu so that they are completely cut off from all other sources which constitute the main or a majority of materials available. You can't produce a hundred thousand let alone a whole worlds books in the vernacular overnight! To give an example of the standard of the 49 students in a certain class, 47 will remain just literate and unlearned after they have obtained their M.A.s.

What is the basis of scholarship?

Made easy question-and-answer textbooks which they depend on? Class-notes? To get some semblance of learning across, we've had to improvise our own system because students are totally dependent on our lectures, being unable to draw from library books nor in Urdu.

For half the period we dictate in English at a slow speed, since note-taking seems also to be a new experience to them. Then for the remaining half of the period, I discuss the same matter in Urdu so that they understand it. At the same time I can't guarantee if they have taken down everything correctly in English. The net result is that we get across half or less than what we should in each lecture.

N.S.: Surely examinations can distinguish between superficial and actual learning absorbed?

Dr. Qazilbash: To a point, if you design your examinations accordingly. But nobody has any business to describe these programmes we have as M.A. courses. You can't hand out degrees to those who have not even learnt to independently read! The 'question of research doesn't even arise. Some "research" papers have been written in the past, but, in reality they are no more than term papers: all rehashes of existing material.

And what are you going to research with? Very small budgets are allocated to the Seminar library. Most books are carry-overs, out-dated; also dumped stuff of American and British contribution.

Funding is so inadequate for journals that not only are there not the minimum number available, they do not even come with regularity so that there is no continuity in ongoing researches and development. There are substantial collections at public libraries, at the Staff College, Lahore, at NIPA, and the centre for South Asian Studies, but the same are not to be found on the university premises where most needed. We are in a constant state of crisis. Books relevant to the syllabus, assigned and recommended, are not there.

N.S.: What about the accusation that teachers indulge in politics, and are therefore at least in part responsible for the deteriorating educational atmosphere?

Dr. Qazilbash: Let's examine the dynamics of the learning process. There have to be students who want to learn and have the necessary grounding to absorb university education. The teachers must be fully knowledgeable in their field and be competent to teach. But when a teacher is made to feel insecure, he hides behind departmental politics.

The relationship between teacher and student where the teacher was held in reverence gave way to the two fencing one another. It became a technique of survival.

Nationalised ideological studies have been introduced with little practical purpose and at great cost to other faculties. And academically there is a tremendous gap between the authorities and the rest; as big a gap between what is desired and what actually is, because the authorities have not really involved themselves in caring and curing.

And ultimately who is the loser? — the student: frustrated and ill-taught, some of whom will teach others tomorrow. What can you expect of them? They themselves lose when they campaign against teachers when the fault lies elsewhere.

N.S.: How then do you set about planning a relevant programme of studies? For that matter, how do you determine what is relevant?

Dr. Qazilbash: How can you plan anything before you know where you are? First you determine that through self-examination. You acknowledge things as they are as far as courses are concerned — that's simple enough as long as you don't get dragged into politics. Then you lay down goals. And while you plan you can make comparisons with other courses in relation to their goals. But so far the authorities have not wanted to face up to that.

N.S.: If, as you say, there is a stalemate, and there is no direct solution to the problems confronting the Panjab University, is there any other remedy?

Dr. Qazilbash: Yes, and it is something that should exist even when Government-endowed institutions run at their best. Pakistan needs alternate universities run exclusively by the private sector and the courses should be purely goal-

oriented. The quality of an institution can be judged only in one way — the product — that is the student who emerges from it and goes into a profession. With bureaucratic policies as well as politics absent from the arena of a private university and a free hand given to the objective pursuit of excellence the true purpose of education will be served and standards will constantly be self-modernising and rising.

So far, the university instead of facilitating has been retarding and obstructing such a process. But when likeminded people with similar objectives engage in a common task, there's a greater chance of being objective. As things stand now, there are differences over objectives, methodology, basic approach to goals of education, and the result is a paralysis that is hard to overcome within the institution.

A tested product — and we have some from the long past — can be used as a yardstick for a starter. But the challenge is lacking. So much so that a substantial number of competent teachers have gone abroad because the doors have been closed to them. What is opportunity without quality?

N.S.: But we still do have highly qualified teachers around, and still coming in to some extent.

Dr. Qazilbash: But they do not necessarily apply what is relevant. What is applicable elsewhere is not necessarily to be grafted in to here. It is more experimentation in the name of improvement, and it is isolated, disconnected from other disciplines and even entire faculties. There must be a clear and inter-related process encompassing all.

Mediocrity

Mediocrity of the worst order entered our ranks when education became the least preferred of professions. The incentives were the worst leaving education for those who failed in all else or were trapped by their own dedication. The useless rose, and Ph.D.s from abroad — not qualified in something relevant — unwittingly allowed to destroy what there was. Incidentally, research techniques and processes were not unknown to classical trends—the Persians and Arabs were familiar with them. However,

an alternate university will provide the avenues needed. Where decisions can be independent. Where doubt can be expressed. Where open debate and accountability can take place.

N.S.: But do you see any hope of such an alternate university coming about?

Dr. Qabilash: It's a vast project and naturally it cannot be achieved quickly. But it has been something I've been dreaming of for a long time AND working on. There are twenty of us — twenty highly-trained and extremely successful academicians teachers from the social and natural sciences — who

have got together and we are shortly launching an Academy of Educational Services.

There are three things in mind for it. One, it will hopefully provide the nucleus for a private alternate university some day and start to raise funds towards that end. Also, it will launch specialised programmes designed by us, towards the C.S.E., for example, the way we think it should be.

Two, we'll have goal-oriented short-term programmes to do "repair and salvage" on already running programmes. And three, we shall be available in a consultative capacity for development purposes.

CSO: 4200/191

DEBATE OVER COUNTRY'S CULTURAL LEGACY REVIEWED

Karachi DAWN in English 3 Dec 82 Magazine Supplement p 4

[Article by Ariel]

[Text] An interesting idea has been floated once again: Pakistan is not the legatee of the Indo-Muslim Culture in its entirety, thus allowing for the fact of Partition?

Poet-Critic Salim Ahmed, writing in his column, seems to have been offended at Zia Jullundhary's contention. Zia Jullundhary has taken a nationalist's view: The Pakistani culture should draw its sustenance from the regions comprising Pakistan.

What Salim Ahmed has, perhaps, forgotten to remind Zia Jullundhary is that Pakistan is an "ideologically steadfast" Islamic country and hence it should spurn nationalistic considerations. He could have brought in Iqbal into the discussion and pointed out towards an often quoted couplet castigating the idea of nationhood on the plea that it negates the Islamic belief.

I wonder how we could go on about nationalism as one category of thought and universalism for others without realising that philosophical categories couldn't work according to our desires.

They are more or less a package deal. Either you have the whole of them in a prescribed order or you burn your fingers. Pakistan was carved out of united India on a fairly well-known premise. The basis of the premise had two tiers:

A democratic society based on the nation hood of the Muslims of the subcontinent.

Pakistan couldn't turn hostile to its very foundation by taking up a position whereby the Islamic legacy of the sub-continent is also allowed to be partitioned. It is a downright myopic perception and an altogether unnecessary formulation. But we have proved to be so good and efficient in alienating millions of people from the belief of shared cultural perceptions that we would gladly bid adieu to a whole lot of poets, mystics, architects, painters, and men of learning — just because they don't happen to have been born here.

Granted the gains of this intellectual 'harakari,' but what about the other cultural giants belonging to other Muslim countries? What about our determination to accept the Afghan refugees on the plea of Islamic brotherhood? why shouldn't this generosity be extended to a few scores of dead poets and mystics.

May be it is only the reflection of the position that some of our intellectuals have opted for applying restrictions on all manner of cross-fertilisation. The logical corollary of this harakari is going to be a frightening episode. Perhaps we might end up being a country which would like to seal its eyes and ears to the accomplishments of the 'giants' of human wisdom.

Salim Ahmed is obviously quite sore on the point and wants to feel sorry for persons such as Amir

Khusro, Shah Waliullah, Abdul Fazal, Fazl, Mir Ghulib, Sir Syed and Hali it is possible that this list includes all the saints who carried the 'Dastars' from Multan to the four corners of the sub-continent).

But I would also like to feel sorry for Kumi, Haifz, Saddiq, Ibn-i-Arabi, Jami and hundreds of other big names since they were not born in areas constituting Pakistan. What would happen to the rest of the international celebrities who have become part of the heritage of the entire civilized world. It is one thing to agree or disagree with them but no useful purpose could be served by keeping them away from our shelves.

It is an interesting situation that Saleem Ahmed has been castigating Sir Syed Ahmed Khan for some time. Now he should find it a bit amusing that he has to make it very clear that the desire to assimilate wisdom from the high water marks of culture and intellect doesn't require any bickerings on the places of their origin. Who would like to claim that the Taj Mahal is situated on the bank of Ravi? But any discussion about Pakistani architecture is going to involve not only Taj Mahal but many a monument in Afghanistan, Iran and Central Asia.

Take for example the development of poetry and arts. What is the fun in denying the 'greats' a simple affirmative nod while

meditating on the forces that led to the emergence of Pakistan.

Maybe it bales us out of many imponderables and intangibles which have been eluding us for some time and, given the present day thinking of some intellectuals who have chosen an arbitrary mix of regionalism, nationalism and internationalism to pass for a convenient "Islamic mould" there is very little that is going to keep them "intellectually viable"

Let us hope they don't succeed in raising a pure and simple myopia to an intellectual principle. Let us also hope that they would try to rise to the occasion and try to imbibe a far more cogent and intellectual formulation. How could Rumi and

Shah Waliullah be declared irrelevant in any discussion on the historical development of Pakistani culture.

I think that any discussion of Pakistani culture is going to involve even the non-Islamic ingredients as it was through the interaction between them and Islam that the areas constituting Pakistan are today what they appear to be. More allowance has to be given to personalities such as Shah Waliullah and Mujaddid Alif Sani for the simple reason that much that we have come to regard as ours emanates from their thinking. So there is no harm in having a broader view while sticking to the geographical realities as they are.

CSO: 4200/191

FORMER PRESIDENT MIRZA INTERVIEW DISCUSSED; EVENTS CLARIFIED

Karachi DAWN in English 3 Dec 82 Supplement pp 1, 8

[Article by Pir Ali Muhammed Rashdi: "Iskander Mirza Incriminates Himself"]

[Text] Pir Ali Mohammad Rashdi was Minister for Information and Broadcasting during the period that formed the subject-matter of Iskander Mirza's interview appearing in DAWN Magazine of Nov 19. A member of the Muslim League parliamentary party, Rashdi was an eye-witness to behind-the-scenes drama and political crises that ultimately led to the abrogation of the 1956 Constitution and the promulgation of Martial Law. In the article below, he gives his version of the events and rebuts Iskander Mirza's account of some of the most crucial events that are now part of Pakistan's history.

The interview of the late General Iskandar Mirza, published in Dawn Magazine (Nov 19) is, on analysis, a self-incriminating document. One wishes it had not been publicised particularly after 15 years of its having been recorded and, what is even more significant, after all the important figures in the story had passed away and were in no position to defend themselves.

Moreover, the story itself did little credit to the memory of the late Mirza Sahib himself who, as a person and a friend, had many charming qualities—political, of course, apart. Why at all should th-

ose old scores have been opened up?

Though the curse of Pakistan's political history has been that each change of Government had occasioned its reorientation, with the inevitable consequence that undiluted truth and objective assemblage of solid facts had lost their relevance, those who had studied and followed causes of strangulation of democracy in Pakistan should be conversant with the catalogue of popular grievances against Iskander Mirza which, to sum up, were as follows:

Government servant

(1) Though basically a Government servant, supposed to be having no politics, Mirza Sahib had an insatiable penchant for political power, and that too of the authoritarian stamp. As will be recalled, he was the originator of the doctrine of "Controlled Democ-

racy". Interpreted in practical terms meaning a government of bureaucracy by bureaucracy and for bureaucracy. It is a matter of record that he had begun making noises about his belief in that doctrine immediately after his descent in Pakistan, following the latter's inception.

(2) He was one of the celebrated trio of the Delhi-based leading bureaucrats who had grown grey in the service of their outgoing white masters, who did not have roots in Pakistan (by birth they belonged either to the Indian Punjab or the Indian Bengal), who had happened now to land here merely as a result of the accident of Partition, and who on arrival here had snaked into key-jobs and initiated intrigues to capture political power by exploiting the credulity of some unwary politicians and, in the end, defeating democracy itself—the legacy of Quaid-i-Azam.

The other two members of the tri-

were Mr. Ghulam Mohammed and Chaudhry Mohammed Ali Sahib (of these, two had eventually become heads of State, and one Prime Minister—en route, enjoying ministerships and other political offices).

(3) Even while Mirza Sahib had not as yet become Governor-General or President, he had, behind the scenes, involved himself in every act of political skulduggery.

(4) He had congenital aversion to Parliamentary Democracy.

(5) As soon as he had become Head of State he had tried (unsuccessfully though) to canvass political opinion in favour of presidential form of government as he expected by that means to assume total power.

(6) Accordingly, he was not satisfied with the final 1956 Constitution (which provided Parliamentary form of Government) though, for tactical reasons, he had taken oath to owe allegiance to it and preserve it.

(7) Notwithstanding the limitation imposed upon the President by the 1956 Constitution (under which he had to function merely as a constitutional head) he committed numerous transgressions contrary to the spirit of the Constitution inasmuch as he contrived to arrogate to himself, and actually exercised, powers which rightly belonged to the Parliament, the party in majority, the Cabinet and the Prime Minister of the country.

(8) He inducted in office and drove out ministries according to his own whims and caprices (in the style of a Grand Mogul) behind the back of the democratic organs whose inherent right and legal function it was to do so, namely the elected Parliament and the political parties in the enjoyment of popular mandate.

(9) He personally disliked Sardar Nishter, the President of the ruling Muslim League Party, ("I sent for Chaudhry Mohammed Ali and I said to him, you know Nishter perhaps for

ten years, I have known him for 25 years. Please listen to me and do not make him the President of the Muslim League or you will be in trouble. He is a religious fanatic and he will work against you behind your back and he will try and control the whole Government as President of the Muslim League because he seems to think that he is no less a man than Quaid-i-Azam"—the interview) and in order to undercut him, soon enough, engineered the disruption of the Muslim League and sprouting out overnight of a new party, called the Republican Party.

To that end jobs of Ministers both at the Centre and in West Pakistan were used as baits to lure in fugitives from the Muslim League party. That he was the real founder and god-father of the Republican Party was proved by the fact that no sooner had he himself disappeared from the scene than the new party had instantly evaporated into thin air and was never heard of again.

Double-crossing

(10) Dr Khan Sahib, to whom he now attributes 'double crossing' and quite a few other deviations was, (despite my reverence for Dr. Sahib's high sense of integrity and truthfulness), his own find and his cat's paw, in the sense that it was he (Mirza Sahib) who, in order to use him on various fronts, had taken him out of the limbo of oblivion into which Quaid-i-Azam had relegated him after removing him from the Chief Ministership of the N.W.F.P following his failure to salute the flag of Pakistan.

Under Iskander he was now first made a Minister in the Pakistan Cabinet and, later, forced upon West Pakistan as its Chief Minister, in the teeth of Muslim League opposition.

(11) It was his policy and practice that while he installed in office one Ministry, he, at the same time, continued clandestinely to hobnob with the Opposition as well so that his options to make further

changes in the future remained unlimited and the game of musical chairs could be continued unhindered.

(12) By designedly making frequent changes in ministries and thereby engendering a state of political and administrative instability, he intended to create conditions under which it may become easy for him to achieve his manifold political objectives, namely:

(a) To cause putrescence of the country's democratic life, sterilization of its constitutional organs, and failure of constitutional government;

(b) To destroy the inconvenient 1956 Constitution and apply Martial Law under his own aegis;

(c) To bring about a state of collusion between the civil bureaucracy and Ayub Khan's legions and establish their combined stranglehold over the country which itself was a product of democratic process and

(d) To, finally, Preside himself over such a two-fold tyranny.

(13) As his ill-luck would have it, just when his final goal was in sight, a merciful Providence had intervened and ordained that he himself should fall between the two stools upon which he, having planted his feet, had thought he would be able to stand erect till eternity. Indeed it was a case of 'Man proposes God disposes'. The Matadors of his own inviting had encompassed his undoing; the guns he expected would be directed at the public were first zeroed in on him and he was gone for good.

(14) In the course of the bureaucratic supremacy over Pakistan, of which Mirza Sahib was indeed the symbol, Pakistan had found itself tethered to two defence pacts (SEATO and CENTO) merely because the proliferating expensive bureaucracy wanted 'foreign aid' millions which it could only get by joining these pacts and, of course, by heavily taxing the people at home also—a tradition which has continued ever since.

Pardonably, one might in this context as well call attention to

the over-all conditions which prevailed in the country during this particular period and made it possible for Mirza Sahib and other bureaucrats to further their ambitions.

It should be borne in mind that by the time Mirza Sahib had attained the acme of his ambition and become President, the country's veteran politicians had been already dislodged and emasculated, thanks to the 'advance softening action' on the part of the bureaucracy and their dupes in the political field; they had been dismissed from elective offices, humiliated, *Prodded*, disqualified, branded as traitors, saboteurs, and 'Indian Agents' etc, mercilessly vilified by an unscrupulous Press, and pushed to the outer periphery of political life - baffled, and demoralized; they had lost their inner strength and sensitivity and were no longer in a position to stand up to this new menace, unite among themselves, exercise percipience and pre-empt the bureaucratic game to turn the Quaid's country into a lunatic state run by megalomaniac babus and not by statesmen.

Nor indeed could they (the politicians) muster courage, at that juncture to force new elections, secure a fresh mandate and rehabilitate themselves, exposing on the way, the developing bureaucratic conspiracy.

Interview

Now the interview itself.

It appears that in the interview Iskander Mirza had jumbled together facts and fiction without regard to chronology and, in the process, managed to skip over the account of his own underhand doings antecedent to his becoming the Head of State, for example his part in:

The political intrigues and manipulations in the Punjab, Bengal, Sind and N.W.F.P (1948-1951); the declaration of Martial Law in Lahore (1953); the exaction of resignation from the functioning elected provincial Chief Minister

of Punjab (1953); the dismissal and incarceration of the Bengal Chief Minister Mouli Fazlul Haque (1953); wrangling his own appointment as Governor of East Pakistan (1954); the dismissal of Prime Minister Khwaja Nazimuddin (1953);

The wholesale expulsion of popularly elected Provincial Cabinets all over Pakistan (1954); the cornering of Prime Minister Bogra by Ghulam Mohammed on that fateful October night (1954); the dissolution of Parliament (1954); the formation of a new puppet Central Cabinet which included him and Ayub Khan (1954);

The imposition of One-Unit (1955); arranging his own election to Parliament thanks to Mr. Munir's "political decision" (on his own subsequent admission) in the Tamiruddin Case (1955); not to speak of his mysterious visits to UK and USA, and his special relations with the UK and US Governments (his son had married the daughter of the American Ambassador to Pakistan) and with the British Embassy in Pakistan.

Actually these were the events that constituted the real background of the climactic situation with which he had dealt in his interview. If only he had given the entire story from the start, readers would perhaps have been able to know the whole truth.

However, we come to the corpus of the interview itself

(1) His part in the intrigue (as evidenced from the story he himself has given in the interview) which led to Prime Minister Bogra being forced by Ghulam Mohammed to reshuffle the Central Cabinet, break provincial cabinets and dissolve the Parliament, in October 1954;

His purposeful presence in London in September 1954; his catching Bogra at the London airport when the latter was on his way back from U.S.A. to face Ghulam Mohammed's wrath at Karachi; his arranging (in what capacity he does not say) with the Royal Air Force for an Argonaut plane to bring the Bogra party

(Ayub Khan, Chaudhry Mohammed Ali, Ispahani and himself) quickly to Karachi;

His order (by aerial telephone) to General Musa C-in-C to deploy at the Karachi Airport a "Company in battle-order" to protect Bogra (actually to intimidate him); his taking command of the situation or arrival at the Karachi Airport and instructing Ispahani to "put Bogra into a car and take him to the Governor-General's House" (and "I would follow later with the others");

His dropping in, that very moment, at the Governor-General's house (to quote Mirza, "when we got in there we saw Chaudhry Mohammed Ali pacing the room and the Governor-General Ghulam Mohammed lying on the floor on a white sheet in a terrible state. He was almost foaming at the mouth and striking his face right and left"). and his participation in happenings there when Bogra was being forced to "come in an agreement on the basis that a new cabinet would be formed and the Assembly would be suspended (actually it was dissolved) and things would start de novo the next day"; and, under this 'de novo' arrangement Ghulam Mohammed providing a list of new ministers which, of course, included his own name.

Chaudhry Mohammed Ali, however, gives a different story in his "The Task Before Us" (Pp 297-98) which contradicts in its many major details Mirza Sahib's version and which runs as follows:

"On October 23, we reached Karachi. There was an appreciable crowd to greet the Prime Minister. Reception formalities over, Mr Bogra was surrounded by Ayub Khan and Iskander Mirza in a friendly manner and was driven away to the Governor-General's House. Ayub Khan has in his (Friends not Masters) mis-stated even this event. I did not accompany them (as he asserts) to the Governor-General's House. It was Mohammed Ali Bogra who went with them, rather was made to accompany them.

"It was midnight when I received a telephone call from the Governor-General House want-

ing me to reach there. There I saw a strange spectacle Ghulam Mohammed was sitting on a sofa, flushed in face. He was flanked by Ayub Khan and Iskander Mirza. In front of him was Bogra like a cowering captive. Ghulam Mohammed had a pistol in his hand and was severely reprimanding him saying that he had betrayed him, despite the fact that he had made him the Prime Minister. Ghulam Mohammed insisted on dismissing the Constituent Assembly. He was burning with the fire of revenge. Apparently there was an excuse for such a step, for the Constituent Assembly had lost its representative character after the smashing victory of the Jugo Front and Suhrawardy and his friends were demanding its end. The language Ghulam Mohammed was using and the presence of Ayub Khan and Iskander Mirza betrayed the fact that he enjoyed the support of the Army. Army in those days meant Ayub Khan.

New cabinet

"I tried to strike a conciliatory note and succeeded at last in bringing Ghulam Mohammed round to the decision that the old Constituent Assembly (which had stripped him of his powers) shall be dismissed and a new one elected instead. The old Cabinet, too, would go. Bogra, however, shall retain Prime Ministership. In the new Cabinet were to be included Iskander Mirza and Ayub Khan the home portfolio going to first and Defence to the latter. Industries was to be entrusted to Ispahani.

"Within a few months, a new Constituent Assembly came into being through the Provincial Assemblies. Those elections were a new experiment in democracy".

Be that as it may, the question

arises: (a) was not this whole drama pre-arranged (we all then knew in advance that it was being pre-arranged) in that manner and that whereas Chaudhry Mohammed Ali and Ayub Khan had been sent to USA to frighten Bogra, Iskander Mirza was stationed mid way at London to push him further up to Karachi?

(b) Being a Government servant, what business did Mirza Sahib have to take such an active part in these political manoeuvres?

(c) How had he come to enjoy Ghulam Mohammed's confidence to the extent that he was admitted into these inner counsels of his?

(d) In recognition of what services of his had Ghulam Mohammed put his name in the list of his nominees for the Cabinet (cabinet membership being a political job)? and (e) unless it be assumed that the British were also involved in this intrigue, through Mirza Sahib, how could one explain an R.A.F. Argonaut being instantly provided at London just on a request from Mirza Sahib?

All told, collusion and culpability are evident.

Suhrawardy

(2) As to Chaudhry Mohammed Ali becoming Prime Minister, Mirza Sahib's version is that "Chaudhry Mohammed Ali, accompanied by Gurmani came to me and said that it is the opinion of the Muslim League party that Mr. Suhrawardy, the leader of the Awami League who had about 13 men in the Constituent Assembly should be the Prime Minister; I said 'it is a very peculiar way of starting a new Government, because in my constitution the largest party forms the Government and I really cannot understand how I can over-ride this elementary provision'; I said: 'I am going to ask you, Chaudhry Sahib, to form the Government'."

Unfortunately, however, Chaudhry Mohammed Ali's own version does not agree with this. He says on page 300 of his book "The

Task Before Us" that it was Mirza Sahib himself "who had gone to his house and did not leave it till he had agreed to become Prime Minister". He does not talk of Gurmani and himself going to Iskander as the latter suggests.

I myself was a member of the Constituent Assembly (during the relevant period) and belonged to the Muslim League party and the following facts are in my own knowledge:

Our party had coalesced with Suhrawardy's Awami League and together the two formed a clear majority in the Assembly; the Muslim League party, after protracted discussion in a series of meetings, decided, on my own motion to put forward Mr. Suhrawardy's name for Prime Ministership as the leader of our joint party.

The resolution was duly communicated to the Governor General who was under the circumstances constitutionally bound to call Mr. Suhrawardy to form the Government; but three days later Mohammed Ali produced before us a letter saying that the Governor-General had turned down our resolution about Mr. Suhrawardy and instead invited him (Mohammed Ali himself) to form a Government though his (Mohammed Ali's) Muslim League party alone and by itself (shorn of Awami League party alliance) did not command a majority in the Assembly.

When this letter was read out in the party meeting I began shouting that the Governor General's action was unconstitutional and that he was trying to drive a wedge between our two parties and that we Muslim Leaguers (who were by and large from West Pakistan) by accepting the bait thrown at us by him and breaking our pledged word with the Awami League would be exacerbating relations between the two wings (with fatal results in the long run).

But, unfortunately, I was not heard; the Punjab group was in a majority in our party and was led by Mohammed Ali, Gurmani, and others; that group did not have qualms in swallowing Iskander's

bait since it was bringing premiership to them.

Iskander, meanwhile, worked behind the scenes and arranged with Suhrawardy's Bengali opponents, who included Hindus, to join in his improvisation and sustain the Mohammed Ali Ministry of his own making.

Now how do these stark facts agree with Iskander's version given in his interview and, of course, contradicted by Chaudhry Mohammed Ali (Page 300 of his book) as stated above.

One leaves it to authorities on constitutional law to determine how far Iskander Mirza, as a mere constitutional head was, (consistently with Parliamentary traditions and usages,) within his rights to arbitrarily reject the pro-Suhrawardy recommendation of the majority party and act in the devious ways he did?

3. Proceeding, Mirza Sahib has stated in his interview that after he offered the Prime Ministership to Chaudhry Mohammed Ali he (Mohammed Ali) "told me that he would like to be Prime Minister and work the constitution on which he had worked so hard, provided I talk to Mr Suhrawardy and try and get him round. I told I will try".

This again does not tally with facts; the chronology is against it; Mohammed Ali was offered Prime Ministership (and he became one) sometime in August 1955; and the constitution in question had not been framed till March of the following year! How could, under the circumstances, Mohammed Ali have spoken of the "constitution on which he had worked so hard", since the constitution had not as yet been made and Mohammed Ali had not as yet "worked so hard" on it?

And then, of all people, Iskander Mirza who had just rejected Suhrawardy, being requested by Mohammed Ali to "bring round" his rejectee who must then be a "wounded Tiger" out for Iskander's own blood. Does this situation appear natural?

Further, his statement that he had brought round Suhrawardy in favour of Mohammed Ali is con-

tradicted by the recorded debate in the Assembly where Suhrawardy and his partymen had been throughout mercilessly attacking Mohammed Ali and giving him no quarter whatsoever.

Even the probability of Iskander succeeding in influencing Suhrawardy is further disproved by the fact that Suhrawardy's party had upto the last opposed even Iskander's very own election as President!

(4) Iskander while relating the story of how Muslim League was sabotaged and Republican Party created, has again been in grave error. He has tried to shift the entire onus to Dr. Khan Sahib and Gurmani which was contrary to facts. May I, as one who was a personal witness to these happenings ask whether or not the facts were as follows:-

(i) (As he himself has admitted) Mirza Sahib personally hated the League President Sardar Nishtar, (ii) Dr. Khan Sahib was Iskander's own creature, (iii) at the time the League was being amputated at Lahore he himself was sojourning in Lahore and Murree, (iv) he had taken along Prime Minister Chaudhry Mohammed Ali also (v) he had been personally inducing League members to join the new party.

(vi) He had tried his utmost (though unsuccessfully) to influence me personally to give up the Muslim League, join Dr. Khan Sahib's party and save my Central Ministership.

(vii) When the League party in the Central Assembly had called upon Chaudhry Mohammed Ali to explain his conduct in connection with the Republican episode and he had promised to attend a Muslim League party meeting at Chundrigar's house at 4 p.m., Iskander himself (having got scent of it) had invaded Chaudhry's house, at that very moment, pounced upon him and bodily dragged him, instead, to the Republican party meeting which was also scheduled to take place at the same time (Mr. Chundrigar who also had gone to Mohammed Ali's house to bring

him to the League meeting had witnessed this case of 'aghwa' himself).

(viii) When my motion for Gurmani's dismissal from Governorship of West Pakistan for his doings in connection with the formation of Republican party was under discussion, Iskander had called every Cabinet member and dissuaded him from voting against Gurmani though no minister had cared to listen to him (the Bengali Ministers having even gone to the length of admonishing him for his dabbling in cabinet affairs though he was but only a constitutional head).

(ix) Gurmani had escaped dismissal merely because just as the Cabinet votes were being recorded against him, Prime Minister Mohammed Ali, seeing no other way out to save Gurmani, had enacted the drama of suddenly getting a heart attack, closing his eyes, and slumping in his chair, which sudden development threw the Cabinet into confusion and led to the meeting being postponed without the dismissal vote being brought on the record (Chaudhry Mohammed Ali having been bodily lifted and carried upstairs to his bedroom pretending to be unconscious and immobile).

(x) Early next morning Mohammed Ali had suddenly recovered, rid himself of his heart-attack, taken the early dawn train for Quetta where Gurmani was awaiting him, without informing any Cabinet member.

(xi) He remained absent from Karachi for nearly two months (leaving the Central Cabinet functus officio); and (xii) that by the time circumstances forced him to return to Karachi we Muslim League members of the Cabinet he got tired of his chicanery and Chundrigar and myself had forthwith tendered our resignations which broke Chaudhry Mohammed Ali's majority and forced his exit from Prime Ministership.

Can anybody deny these facts? If not, would not in the face of such a mass of contrary facts appear that Iskander Mirza's story that Gurmani and Dr. Khan Sahib

were the lone sinners in the matter of disintegration of Muslim League party and formation of the new Republican party at Lahore, or that eventually "Chaudhry Mohammed Ali had had a nervous breakdown and had gone to him to be shot by him." was just moonshine?

Happily Mian Mumtaz Mohammed Khan Daultana and Chaudhry Mohammed Hussain Chatta, who were then members of the Muslim League Party and were witnesses to all these happenings, are there to bear testimony to the facts I have stated.

Final exit

(5) Nor is Mirza Sahib's story about Chaudhry Mohammed Ali's final exit from Prime Ministership founded on facts inasmuch as the latter had been forced to resign only because (on account of his complicity in the Republican affair) Chundrigar and myself had resigned from his Cabinet, the Muslim League party had disclaimed him and his majority in the Parliament had been thus broken.

The dramatic account given by Mirza Sahib (agitation, picketing of Mohammed Ali's house, police action, disturbances, Mohammed Ali having lost nerve, his weeping before him and his request to him to be shot etc) appears, examined in the light of facts as set forth above, to be but a figment of Mirza Sahib's own fertile imagination.

(6) In the interview there is then an admission that he did not like the Parliamentary Constitution and had been intriguing behind the scenes to bring in an American type one. Note his words:

"I was telling him (Chaudhry Mohammed Ali) from the very beginning to try and get some Constitution which would run in the country and to this end I also got an American to advise. But everyone was determined to have this Constitution."

(The American type of Constitution was later tried by Ayub Khan with disastrous results).

(7) His admissions at various places in the interview that he had been having contacts with foreign Powers over the head of the Prime Minister (Suhrawardy) and his dabbling in affairs which fell in the purview of the Prime Minister proved that he had been exceeding the limits of his functions as a constitutional head:

For example: (i) British Deputy High Commissioner directly communicating with him about Suez; (ii) his calling Prime Ministers of Turkey and Iraq, through Shah of Iran, for meetings with him at Teheran; (iii) The British Ambassador calling upon him at 4 o'clock in the morning at Teheran to complain to him that the Prime Minister of Pakistan (Suhrawardy) had declared in an open meeting in Karachi that he was going to leave the Commonwealth, and, in reply, his assurance to the British Government that "as long as I am President of Pakistan we are not leaving the Commonwealth" and (iv) his differences with Prime Minister Suhrawardy over his Arab and China policies and his discovery that the Prime Minister was of unstable mind and therefore deserved to be replaced ("at two hours notice", and without

taking into account the existence of Parliament and the majority party).

Were not all these activities extra-curricular in the case of a "constitutional head"? Could you imagine, for example, our high Commissioner going directly to the Queen of England at 4 a.m. to complain to her against the Prime Minister of England? Could you conceive of the Queen of England driving her Prime Minister out of office, at two hours notice, behind the back of Parliament? Were these and so many other acts of Mirza Sahib then constitutionally proper and in order?

Least faithless

In conclusion, I am afraid, the late Mirza Sahib's alibi contained in his interview is not satisfactory. His crowning crime that he had put the Quaid's country under Martial Law and forced millions of Musalmans, just freed, forever to sink into a cataleptic state, alone is enough to make the memory of this otherwise an amiable man, stink.

But for his unfortunate weakness for personal power, Mirza Sahib was, on the whole, a very clean man in money matters and stood head above shoulders over the men who came after him.

He will be known as the only high functionary of State who had died a poor man. May be in times to come some of those who may come after him prove even worse in that respect, and provide his vindication and ensure rehabilitation of his memory as the least faithless amongst the faithless of our history.

HIGH-POWERED TEAM TO VISIT LIBYA

Karachi DAWN in English 3 Dec 82 p 21

[Text]

ISLAMABAD, Dec 2: A high-powered delegation from the Ministry of Manpower is likely to visit Tripoli to discuss the fate of 161 Pakistanis who have been jailed in Libya following a clash with a group of Thai workers there.

Mr Ghulam Dastgir Khan, Central Minister, told 'DAWN' the Libyan authorities jailed these Pakistanis when after refusal to help the authorities determine the identity of the troublemakers. The authorities had assured that they would be released if they identified the real culprit.

Necessary instructions, the Minister said, have already been issued to the Pakistan Embassy in Libya.

The Minister said Pakistan is also

considering a Libyan proposal which envisages the return of the workers to Pakistan.

The Labour Minister said the same delegation is also expected to visit Kuwait to inquire into the matter concerning the likely deportation of a large number of Pakistani workers there.

Kuwait has amended her immigration laws in order to stop the entry of illegal job-seekers.

The amendment, the Minister said, will also hit those Pakistanis who had managed to get jobs after entering Kuwait illegally.

Mr Ghulam Dastgir Khan said Pakistanis lawfully employed and holding travelling documents will not be affected.

CSO: 4200/191

COOPERATION IN SOUTH ASIA REGION STRESSED

Karachi DAWN in English 28 Nov 82 p 9

[Text]

IN MANY ways it is a pity that the politics of the South Asian region are what they are. The most tangible effect has been the way it has led to the closing of doors on so many avenues of activity which could otherwise have been undertaken by the countries of the region for mutual benefit. The primary responsibility for this, of course, must rest on the differences between India and Pakistan. The result has been the absence of any real cooperation between the two, as a result of which any significant move towards collaboration among the other countries of the region has not emerged either. Now, however, there are signs that the atmosphere is thawing somewhat, as illustrated by some increased trade and a more relaxed atmosphere. The latest evidence of this was provided by the recently concluded meeting in Islamabad of the South Asian Working Group on scientific and technological cooperation. Delegates from seven countries participated in the

three-day meeting and several excellent suggestions were made about the areas in which cooperation among these countries would be beneficial for the region.

Among the area which were considered suitable for research and development projects were low-cost foods, biotechnology, micro-electronics and some aspects of agriculture and energy development. There are many more of course, which will not merely yield very useful results for the region if research and development work is undertaken but in which research is essential for the progress of the countries of the region. Agriculture alone offers several possibilities, especially since each country can provide something which will be helpful, in varying degrees, to the others. Another area where there is a ready potential and need for cooperation is flood control as some of the countries in the region are served by common river systems. There is also the fact that a few of the countries have

fairly advanced research facilities in some areas which, if cooperative efforts are made, will yield better results which will be helpful to the entire region. Similarly, there are many possibilities in the engineering and industrial sectors for cooperation. The main thing is whether the will to go about such projects is there, which naturally presupposes some degree of political understanding and maturity. It should be kept in mind that this region is a 'natural' where cooperation is concerned. All countries must re-examine their motives and their aspirations and decide whether a greater impetus to this kind of cooperation cannot be provided by them, in spite of political differences which may take quite long to be resolved.

CWO: 4200/193

FOREIGN REMITTANCES, CONSUMER GOODS LINK DISCUSSED

Karachi DAWN in English 28 Nov 82 p 9

[Text]

SINCE we look at our manpower export almost exclusively through the coloured glass of home remittances, the social cost of this fateful national phenomenon has not yet been assessed. But the cancerous growth of conspicuous consumption is becoming too menacing to ignore. The demonstration effect of this wasteful consumption is so massive that the quarters who would be expected to ring the warning bell in such circumstances themselves seem to have been afflicted with this fever. Policy-makers in the Government and leaders of public opinion have shown no great concern about the rising tide of imported goods in our markets. There was, however, a hint about an awareness of this problem in a Karachi seminar on the steps for the eradication of smuggling. A Customs official said the Government was contemplating a gradual ban on import of "unaccompanied baggage", a concession allowed to expatriates returning home. He also made some suggestions to curb the sale of goods imported under baggage rules. The relevance of baggage rules in a discussion on smuggling is relevant because it is the widespread dispersal of goods brought by Pakistanis working abroad that has created an ap-

petite and market for smuggled items. But indications of what policy changes are being contemplated in this regard have to come from competent authorities. It would still not be impossible to check the rot if the issue is contemplated in all its complexity and correct decisions are made in the larger national interest.

A proper study of the false prosperity built on imported luxury goods and home remittances will reveal scary facts. The artificially raised standard of living of the expatriates' families carries the seed of corruption and social alienation. Living within honest means is becoming a mirage. The rat race has resulted in an erosion of savings, damaging individual as well as national economies. The easy availability of foreign goods, smuggled or brought in by expatriates, has hurt the domestic industry and undermined the capabilities of local entrepreneurs. So insane has become the craze for the imported stuff that even cans of ordinary soft drinks are sold in abundance and at frightful prices. A visit to any neighbourhood store will be a sufficient indication of the extent of this malady. One need not go into the details of what the VCR culture is doing to our values

and community life. It is a source of cultural disorientation for the flower of our youth and has already throttled the growth of our performing arts. The most sinister aspect of this addiction, now graduating into the area of video games, is the decay of the nation's moral fibre. It is a pity that a society so backward in literacy, standards of education, reading habits, artistic creativity, and health care and hygiene should vie with the most developed countries in standards of consumption. In building this lopsided consumer society, we have made our people acquisitive in a very vulgar, non-productive sense.

These distortions, surely, are the result of official policies pursued over a long period. Creation of new needs and demands has gradually turned luxuries into necessities. Cars, for instance, have become a necessity because of the absence of a mass transit system in our large cities. Television, in living colour for many years, was thrust upon a nation, a vast majority of which cannot read and is denied electricity, potable water and hospitals. The massive export of our manpower has been allowed to bring about an exacerbation of the impact of these aberrations. Liberal baggage rules

were meant to pamper the overseas Pakistanis, unmindful of the damage done to our economy, values and social equilibrium. Incidentally, Pakistan is not the only country to receive large remittances from its workers abroad. But we are almost unique in bungling this potential asset. Meanwhile, we have continued to pay lip service to the need for austerity and self-reliance. It was stated in the seminar on smuggling that the "unaccompanied baggage" system has been done away with all over the world except in Pakistan, India and Bangladesh. But the example of India is worth studying. Its import of consumer goods has traditionally been very restrictive, though a large number of Indians work abroad. The other example of a total restriction on foreign consumer goods is that of China. It lives on the principle that the country should not consume what it does not produce. We must learn from these examples and redesign the baggage rules and import pattern.

It is argued that if overseas Pakistanis are not allowed to bring consumer goods, they will resort to unauthorised means or 'hundi' to transfer their money. That can be checked and, in any case, it will not be so corrupting or socially disruptive. If they will tend to spend more of their earnings abroad, let them. At least they will not be spreading the contagion here. But our expatriates are patriotic people who earn money by the sweat of their brow. Most of them have to come back and re-start life here. It should be possible to induce them to save and bring their money into the country for productive investment. As we wrote the other day, it should be possible to siphon off the expatriates' savings into productive enterprise and the social infrastructure. What is crucial at this stage is to confront the problem of wasteful consumption, smuggling and social and moral corruption rooted in the present vulgar show of affluence by the new middle class. Major policy decisions are needed to stem the tide of foreign goods and enhance domestic production of consumer items that we can absorb without disrupting our economy and our values.

CSO: 4200/193

ECONOMIC COUNCIL APPROVES MANY UPLIFT PLANS

Karachi DAWN in English 28 Nov 82 pp 1, 4

[Text]

ISLAMABAD, Nov 27: The Executive Committee of the National Economic Council, which met here today with the Federal Minister for Finance, Planning, Commerce and Coordination, Mr Ghulam Ishaq Khan, in the chair, evaluated, considered and approved a number of wide-ranging development projects in different sectors of the national economy.

Agriculture

In this sector, the ECNEC accorded approval for the second phase of agricultural development/drug abuse control in Buner subdivision of NWFP, estimated to cost Rs 49.367 million, including a foreign exchange component of Rs 41.390 million.

The project, co-sponsored by Pakistan Narcotics Control Board and the United Nations Fund for Drug Abuse Control, is designed to re-orientate local population towards eradication of poppy cultivation through the creation of alternate sources of income by introducing substitute commercial crops, livestock development, development of institutional facilities like credit marketing, establishment of adaptive research farms, supply of potable water system for 21 villages and the construction of 51 miles of improved roads.

A scheme, envisaging the procurement of 100 Crawler tractors with dozing and allied equipment, for Baluchistan at a cost of Rs

144.13 million, with foreign exchange component of Rs 107.40 million, to be met out of Japanese credit available for the purpose, was also cleared.

The sponsoring authorities estimate that these 100 tractors, during their eight years' life-time, would help in the development of 62,400 hectares of land out of the 5.41 million hectares at present lying as culturable waste in the province.

Another project, titled "Baluchistan minor irrigation and agricultural development", estimated to cost Rs 382.00 million, with foreign exchange component of Rs 54.5 million, has also been approved.

The project, consisting of small surface irrigation, agricultural extension, water spreading and groundwater re-charge schemes, numbering 28, is aimed at managing and developing water resources in different valleys of Baluchistan.

ECNEC also allowed an expenditure of Rs 62.285 million, with foreign exchange component of Rs 47.120 million, for the strengthening of water management project activities in the country.

The scheme aims at strengthening the ongoing on-farm water management project through:

(1) Making provision for training of 1800 persons weeks for short term.

(2) Making available technical assistance to all agencies, institutions and universities in water

management research.

(3) Disseminating information on modern lines for formal training of farmers, functionaries of organisations like WAPDA, Irrigation and Agriculture Department and local Councillors.

Yet another scheme, approved in this sector, is 'Ghotki fresh groundwater project' in Sind costing Rs 768.785 million, with foreign exchange component of Rs 648.020 million.

The project covers a gross commanded area of 4,41,000 acres and its basic purpose is to ensure proper sub-soil drainage to control waterlogging by tubewells and thus to improve the level of agricultural production.

The scheme entails the installation of 1050 tubewells, their electrification and construction of four grid stations, besides the improvement of watercourses in the pilot areas.

Industry

In this sector, the Committee approved, in principle, the hydrocracker project proposed to be installed at Karachi, to produce middle distillates from the feed-back stock within the country, and thus to reduce dependence on import of certain deficit petrochemical products. It will cost about Rs 3717.82, with foreign exchange component of Rs 1,510 million.

The project will be financed from the resources outside the ADP and

with the participation of the private sector to the extent of 30 to 40 per cent.

Housing

Approval was also given for a scheme envisaging the construction of 108 family suites at Islamabad for the officers of the Federal Government of Grade-17 and above. The scheme is estimated to cost Rs 25.75 million with no foreign exchange component.

The Committee also approved the revised estimated cost of Rs 39.00 million for construction of 62 Levy thanas in Baluchistan. Originally, the scheme was to cost Rs 19.23 million. The revision has been necessitated due to the decision of the Baluchistan Government to modify the design of the thanas which will also have suitable residential facilities for the Levy personnel who have hitherto been living a hard camp life in the arduous regions of the province. The residential accommodation for the Levy personnel has been added under President's directive.

Approval was also given for an expenditure of Rs 125.25 million, with foreign exchange component of Rs 124.1 million, for the replacement of the old ship tugs with two modern Voit-Schneider propelled harbour tugs and replacement of old pilot boats, with two modern seagoing pilot boats, at the Karachi Port subject to the condition that international competitive bids will be invited and KSEW, in collaboration with a foreign shipyard, may complete for the same.

The project is designed to strengthen the vital port infrastructure for efficient operations and after its completion, annual savings of Rs 42.37 million, besides other intangible economic benefits, are expected.

The Committee approved an expenditure of Rs 41.14 million for the construction of 23 km dual carriage way between Nowshera and Mardan.

To facilitate the enhancement of Railway's capability to cope with the increased traffic, ECNEC approved an expenditure of Rs 531.4 million, including foreign ex-

change component of Rs 353 million, for the import of 30 fully-assembled diesel electric locomotives to replace 45 steam locomotives which are over 60 years old and uneconomic to maintain.

Health

In this sector, ECNEC approved an expenditure of Rs 27.19 million, with foreign exchange component of Rs 13.09 million, for the airconditioning of Khyber Hospital (Phase-II), which envisages provision of cooling facilities for an area of 280,070 sq ft. through airconditioning system and heating facilities for an area of 40,000 sq feet.

The Committee also approved the revised estimate of Rs 28.624 million for the establishment of a nuclear medical centre within the premises of Islamabad Hospital complex.

The centre will provide diagnostic and treatment facilities primarily for cancer and other complicated cases. Approximately, 10,000 patients are expected to benefit from it annually.

Education

The ECNEC accorded ex post facto sanction of Phase-I of the Punjab University new campus at a cost of Rs 109.975 million.

It also approved the Phase-II scheme of the Punjab University new campus at a cost of Rs 72.560 million to be completed in three years.

Approval for a revised development project of the University of Engineering and Technology, Lahore, estimated to cost Rs 165.925 million, with foreign exchange component of Rs 17.861 million, was also given.—APP

DISAGREEMENT EXPRESSED OVER ECONOMY

Karachi DAWN in English 3 Dec 82 p 19

[Editorial: "Economy's Performance"]

[Text]

THE annual report of the State Bank of Pakistan has described the country's economic performance during 1981-82 as generally better than that of the preceding year. The authors of the report, which is an annual feature, have a reputation of being objective. Therefore, their opinion on the country's economic performance is usually taken very seriously. The relative improvement during 1980-81 in the growth rates of GDP, GNP, gross investment and commodities sectors and a deceleration in the rate of inflation and monetary expansion are encouraging developments. But if these indicators are weighed against the relative declines in the growth rates of exports, national savings, private sector investment, value-added agricultural output and home remittances, expansion in budgetary deficit, widening of trade gap, and greater reliance on external resources in financing gross investment, then the report's summing up of the performance of the economy during the preceding year would reflect uncharacteristic shades of exaggeration.

The overall growth rate understandably reflects, to a significant extent, the rate of growth in imports, debt servic-

ing, inflow of external resources and payments of instalment on past purchases of aircraft and ships. If this fact is studied against the backdrop of a deteriorating balance of payments position and a burgeoning burden of debts, the growth rate of 6.3 per cent would seem to have been achieved at a very high cost to the nation. The manufacturing sector grew at the rate of 12.1 per cent, compared to about nine per cent during the preceding year, though this does not actually reflect the economic performance of 1981-82. During this year a number of large-scale industrial projects were commissioned, more than 90 per cent of the work on which had already been completed in the previous years. A bumper sugarcane crop in 1980-81 just about kept the growth rate in agriculture from going in the reverse direction and helped it record a growth rate of three per cent, against four per cent of the previous year. Bumper sugar production also added substantially to the growth rate of the manufacturing sector.

The improvement in gross investment too does not reflect the actual economic situation in 1981-82 because this improvement is mainly attributable to fixed investment in the public sector which for the last three years has been flowing

mainly to the steel mills. No mentionable new public sector activity has been taken in hand during this period. The decline in the private sector fixed investment has been indirectly attributed by the report to the existing economic controls. It should, however, be noted that the rate of monetary expansion was reduced to 10.5 per cent during 1981-82 compared to 14.1 per cent in the previous year mainly by applying one of the most counterproductive controls on the growth of private sector fixed investment. The rate of domestic credit expansion declined to 15.5 per cent during the year against 16 per cent of the previous year. The private fixed investment dropped from 15.1 per cent in 1980-81 to 12.1 per cent in 1981-82. It is also claimed that the decline in the rate of monetary expansion was to an extent responsible for deceleration in the rate of inflation. This is acceptable but the figure of rate of inflation quoted by the report (9.4 per cent) will be disputed by many since, according to the report itself, the administered prices of several commodities (and services) increased during the year. In fact, the increase in their prices was decidedly substantial. It is probable that owing to recession the imported component in the rate of inflation might

not have been as significant as it was during 1980-81. If the rate of inflation really declined to a significant extent, this should have been reflected in the rate of national savings, which increased by only 10 per cent in 1981-82, as compared with a rise of 22.1 per cent in 1980-81. The rate of national savings actually declined last year and reliance on external resources increased, so that their share in financing total gross investment rose from 20.6 per cent in 1980-81 to 28.0 per cent in 1981-82.

The report claims that owing to continued world recession and a sharp decline in the terms of trade, exports fell by 17.2 per cent. The current account deficit rose to 1.6 billion dollars in 1981-82 from one billion dollars in 1980-81. It is doubtful if one can accept without any questioning the report's conclusion that "sustained growth over the past few years and discernible progress towards financial stability have, to some extent, relieved strains and stresses in the economy". The financial stability mentioned in the report appears to have been achieved only through playing up selected economic indicators. Hard times lie ahead of the country, and unless long-term solutions are found to the economy's maladies, the going will continue to be rough.

BODY PLANNED FOR SOLVING WORKERS' PROBLEMS

Karachi DAWN in English 3 Dec 82 p 21

[Text]

ISLAMABAD, Dec 2: A 32-member Standing Committee, headed by the Federal Labour Minister, Mr Ghulam Dastgir Khan, will be set up soon to determine the nature and magnitude of various issues faced by workers in the country, highly placed sources on Thursday told 'DAWN'.

An announcement in this regard is expected to be made in a couple of days by the Federal Labour Minister.

The Committee will comprise eight representatives of employers while the rest of the members would be nominees of provincial Governments and workers from all over the country.

The idea behind the creation of the proposed standing committee

is to create peace and harmony among the labourers and devise steps to frustrate attempts to exploit them.

The Committee will also rationalise the varying salaries of labourers in the four provinces.

The sources described the committee as a coordination committee between employers and employees creation of which is to hold another tripartite labour conference in the country.

The sources said the Ministry concerned is still examining the recommendations made by the previous Tripartite Labour Conference.

The sources said the Ministry of Labour has refused to consider the move by the employers to give them the right of "hire and fire".

CSO: 4200/191

INCREASING TAXATION ON ERODING WAGES DISCUSSED

Karachi DAWN in English 25 Nov 82 p 10

[Article by Sultan Ahmed]

[Text]

DR. MAHBUBUL HAQ's appeal for an earnest national debate on an incomes policy for the country has gone down quietly like a pebble in a pond.

His proposal to apply a freeze on growth of higher educational institutions for the next five years and bar admission of students without real merit and a keen interest in their studies to such official colleges and universities has not evoked any visible response either.

And his suggestion that the receipts from Zakat fund and Ushr, which he estimates at Rs 350 crores annually for the next five years, should be used for economic development has not roused the orthodox elements although they tend to respond emotionally to such moves.

Why is this happening? On his part, the deputy chairman of the Planning Commission has been coming up with radical ideas, ideas wholly new to Pakistan and brave new visions of a bright future for the country. And yet there is no debate on any of these issues, no posturing by one or protesting by another, no analysis and synthesis.

Is this because of the proverbial mental lethargy of Pakistani society? Is it because of the all too familiar intellectual inertia of our intelligentsia? Is it because they do not take five year plans and official

proposals seriously in a country in which only one five-year plan — the second — 1960-65 — was successful and the chasm between rosy official proposals and actual performance has been too large?

Could this social indifference be the outcome of the firm belief among the people that no matter what they say or how the intelligentsia asserts itself, the official machinery will ultimately do things just as it wants or thinks fit? Could it be because the fatalist philosophy, "What will be, will be," has a strong hold on our public life as well now? May be, all these factors have more or less contributed to the disquieting public silence on the major issues of planning and more that Dr. Mahbubul Haq has been raising.

On inviting the people to speak up and the intelligentsia to a debate, he is in earnest. He realises the absence of representative institutions in the country, and the possibility that we may not have them in their proper form for long. So he is trying to reach out to groups and societies, associations and organizations while awaiting suggestions from the public at large. He seeks such public support as he not only wants them to cooperate with him at every stage but also pay for the plan, which is now envisaged to be two-and-a-half times the size of the current five-year plan with its total allocation of Rs 21,020 crores.

The richer groups are not keen on a serious overall debate as they are probably doing pretty well now. And when the investment increases by 150 per cent more during the next five years they will cumulatively be the greatest gainers in a capitalistic society. The poor man's wages may rise, but the rich man's investments and assets will soar spectacularly.

But if Dr. Mahbubul Haq does not want to upset the current distributive applecart he does not want for more of the income from the sixth five-year plan to accumulate in the hands of the already rich. He wants more of the new income to go to the poor, and less to the rich.

He has gone to the extent of saying that he does not want the new income to be hijacked by a privileged few.

Of course, mere monetary wages alone are meaningless. He himself candidly admits that. Official figures show that while the per capita income at current prices has risen ten times within 22 years, at the constant prices of 1959-60 it has merely doubled within 32 years. So, clearly, money is not the real measure of wages in these abnormally inflationary and uncertain times.

So Dr. Haq has now clarified that when he wants a 20 per cent increase in per capita income in the next five years or seeks an increase in the income of a family of Rs 4,000 during the five years, or Rs 800 per family per year, or Rs 160 per

capita per year, he means them at the constant prices of today. He admits that prices may rise; they may rise because of a host of factors, including higher taxes or higher import costs. But the wage increase must be real, and by 20 per cent at constant prices so that the fixed income groups get more goods and services for their earnings and not less year after year.

Indexation

Indisputably indexation of wages is the key-stone of his income arch. Everything stands and falls by that. Otherwise more rupees as wages may only bring more distress and not relief or comforts. Per capita income during the last five years, ending 1981-82, went up by Rs 1,778 at current prices but at the constant prices of 1959-60 it went up by only Rs 116 in five years. The difference is one to 15, and that spotlights the extent of the ghastly inflation in our midst.

But will Dr. Mahbubul Haq succeed in making the Establishment in Pakistan to accept indexation of incomes and raise in wages annually to the extent of inflation plus the increment? There will be opposition from the government which at the federal, provincial and local level employs 3.7 million people? There will be opposition from trade and industry. There will be demand for increasing taxes and prices of goods corresponding to the indexed figures. Dr. Haq has clearly an uphill task; but so far he appears to be confident of success, largely because he is morally right and socially on firm ground.

But once the principle of indexation is accepted by the Government, the quality of the index becomes an issue. The index has to reflect the full increase in prices and not of a handful of rationed and fixed price items only.

Embassies and consulates-general in Pakistan are often unhappy when their own budgets are indexed to inflation. The budgets of their missions and their salaries are increased proportionate to the increase in the officially declared inflation in Pakistan. But as too often the government here declares a single digit inflation the increase in their salaries year after year can be low. So the embassy staff work out elaborate figures to show that the

real inflation in Pakistan is far higher than the modest or token official admission and obtain higher salaries.

The same has been the bitter experience of a couple of trade unions which negotiated wage increases on the basis of inflation index with multinational companies in Karachi. As the companies went by our official inflation index the workers found they were getting too little each year and abandoned the inflation index angrily. The increase in wages was thereafter negotiated, or not left to the tender mercies of the grossly understated official index.

Wages mean such a lot to the fixed income groups as most of them get little else in Pakistan. The social security system, which covers only a small number of workers takes care of only the medical needs of the workers and their families. The Employees Old Age Benefit system is working more to the benefit of the government than to the workers. The Education Cess paid by the employers goes to the government direct.

Dr. Mahbubul Haq now wants major changes not only in the terms of employment but also in other areas. He wants to do away with rations and price controls. He proposes to rid the economy of subsidies at the consumers end and increase incentives at the producers' end. And he wants the market mechanism to prevail in full. So while he proposes increases in incomes or wages at one end he also wants them to pay more for their essential goods and services. How the personal balance sheet works out for the fixed income groups, particularly the workers, remains to be seen.

He maintains the Pakistanis are not heavily taxed but unevenly taxed. And although the federal taxes, tax-like levies and provincial taxes come close to 20 per cent of Gross Domestic Product he prefers to quote the ratio of federal taxation to the Gross National Product, and says that it is only 13 per cent of GNP. So the people have to be prepared for a substantial increase in taxation over the next few years, particularly if the size of the sixth plan is to be two-and-a-half times the size of the current plan and be around Rs 52,250 crore.

But he does not want to go all out for additional taxation. He would prefer that those who use or benefit by a service pay for it. Such User's Charges, as he describes them, could be for education for which a student may be asked to pay Rs 5 a month in schools, and a small fee of Rs. one or two for visiting a government hospital. It could be payment for getting piped water, for the benefit of electric power, as 75 per cent of the villages do not have it now or for using a village-to-market road or a newly built tunnel. How well does this system work depends on the income of the users and the actual user's charges, and not merely the prescribed.

The fixed income groups are being robbed in any extremely disagreeable manner. They are forced to pay higher prices, inclusive of very high taxes, to buy shoddy goods that have a brief life. Such goods perish, too, early because of poor or defective manufacturing. The consumer has small protection against such exploitation and unconscionable profiteering.

The fixed income groups, particularly the workers on the farms and in the factories are now being persuaded to buy a vast variety of needless and useless goods, like aerated waters, pan supari, toilet goods etc. and to smoke more and drink more tea, through high pressure TV and radio commercial campaigns.

As a result, the fixed income groups spend too much for too little gains and hence the domestic savings rate in Pakistan is a critically low six per cent of GNP. So the masses are poor, while the country has too little of real resources to invest and develop fast. Will the sixth plan reverse such trends, increase the real wages and decrease their vast and varied waste? It all depends on the people's efforts, says Dr. Haq. But will such efforts be forthcoming, and if they are not, will they be mobilised in the right manner?

HIGH LEVEL BODY FOR SUGAR INDUSTRY SET UP

Karachi DAWN in English 25 Nov 82 p 4

[Text]

ISLAMABAD, Nov 24: The Economic Coordination Committee (ECC) of Cabinet in its meeting held here on Tuesday decided to set up a high-level ministerial committee to formulate a long-term policy for the creation of additional capacity in the sugar industry.

The committee would seek to ensure that no units are set up in areas where there is inadequate quantity of sugarcane or where other crops could be grown with better economic advantage. The terms of reference of the committee would be to determine:

- (a) The anticipated indigenous demand over the long-term.
- (b) Prospects for export, including requirements of processed items.
- (c) Suitable locations where adequate quantity of cane is available.
- (d) Requirements of gur manufacture, etc.

To meet the immediate needs of the economy in the interim period. The Government has also decided to consider proposals for creation of additional capacity of three lakh tons for sugar manufacturing in the country during the next 3 years. Out of this 1.8 lakh tons capacity would be created in Sind, 90,000 tons in the Punjab and 30,000 tons in NWFP, which would mean roughly 2 units in Sind, 3 in Punjab and one in NWFP of an economic size of 30,000 tons capacity per annum. The proposals would be processed by the Industrial Division in the usual manner on the recommendations of the Provincial Governments concerned.

The proposals approved by the Ministry of Industries, would be cleared by another high-level committee, consisting of the Ministers for Food and Agriculture, Industries and Production in so far as the location of these units is concerned.—PPI.

CSO: 4200/192

PLEA FOR TEXTILE EXPORT PRICE CHECK SYSTEM

Karachi DAWN in English 3 Dec 82 p 20

[Text] The All-Pakistan Textile Mills Association (APTMA) has formally approached the Government for reintroduction of the export price check (EPC) on textiles to allay Japanese apprehensions about dumping by Pakistani yarn exporters, PPI learnt on Thursday.

The Association's chairman, Mr Aftab Ahmad, in a communication sent to the Federal Commerce Ministry early this week, hoped that in view of the urgency of the matter, necessary orders would be passed to re-introduce the system of EPC on textiles immediately.

It is understood that the matter of re-introducing EPC on textiles was also discussed by an APTMA delegation with the Commerce Secretary in the first week of October. The Secretary advised the Association to come up with a unanimous resolution on the subject, which was passed at a specially-convened extraordinary general body meeting of the Association at Lahore on Nov. 18.

The resolution urged the Federal Government to reintroduce the EPC on cotton textiles immediately on a compulsory and formal basis and that it should cover the commercial exporters as well and should be administered in the same manner as was done earlier before the system was abandoned in early 1981.

The APTMA has also worked out the procedure for administering EPC effectively. A 10-member special committee will supervise the implementation of EPC.--PPI

CSO: 4200/191

MASSIVE WATER SUPPLY PROJECT FOR LYARI

Karachi DAWN in English 27 Nov 82 p 10

[Text]

A massive Rs 240 million developmental project to improve and expand the existing water supply and sewerage system in the Lyari area has been undertaken by KMC on a priority basis.

According to a KMC spokesman, approval for the project — which was shelved for a long time — was granted by the Federal Government last August.

He said both the Federal and Sind governments will extend financial assistance for the project during the 6th Five-Year Plan period.

The project is being implemented in phases, and work is already under way on both the water supply and sewerage network aspects of the scheme.

So far 150 miles of water supply pipelines of different sizes have been laid in the Lyari area under this scheme and about eight million

gallons of water per day is being supplied to six million people living there.

The Karachi Water Management Board has been cooperating with KMC in implementing this part of the project, on which a sum of Rs 120 million has been spent so far, he added.

The spokesman said 145 miles of sewerage drains network is to be laid down throughout the Lyari area.

Work on laying 24 miles of this sewerage drain network has already been accomplished.

Ancillary works in this project include renovation of existing pumping stations in Chakiwara, Jamila Street, Denso Road and other areas of Lyari.

Some of the existing pumping stations in these localities are very old, one of them in Chakiwara dating back 100 years.—APP

CSO: 4200/192

PROSPECTS FOR OIL OUTPUT ANALYZED, TERMED 'NOT TOO BRIGHT'

Karachi DAWN in English 28 Nov 82 Economic & Business Review pp I, IV

[Article by M. Ziauddin]

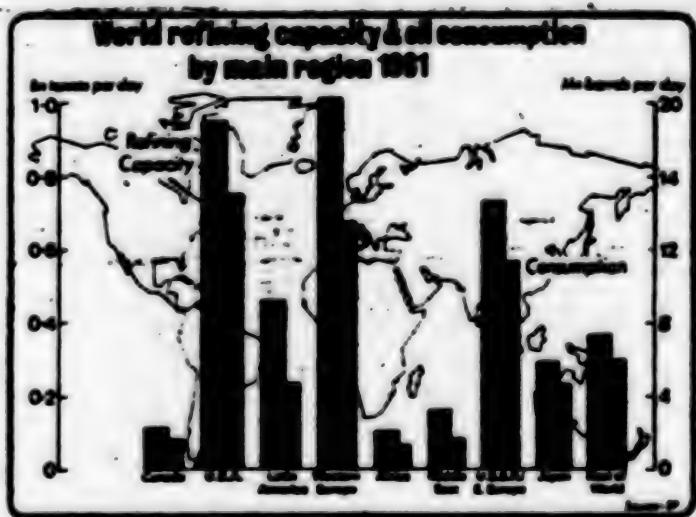
[Text]

PAKISTAN'S domestic oil production which was to have gone up to 15,820 barrels per day (bpd) December this year, excluding the output from Khaskheli, is reported to have declined to 9,000 bpd from 10,000 bpd with which the current calendar year began.

The Khaskheli output which began with 843 bpd early this year has been stagnating at 2,600 bpd for the last four months despite the fact that three more wells have been commissioned during this period. Independent oil experts believe that the field would become good for 6,000 bpd if it is connected to Karachi refinery with a pipeline. At the moment the Khaskheli crude is being transported by National Logistic Cell (NLC) trucks and for this reason the wellhead pressure has been kept at below normal.

The Dhodak oil field which was discovered some six years ago still remains undeveloped. Recently, a decision was taken in principle to let this field be developed by foreign subcontractors. But so far no tender has been floated for this purpose.

It may be recalled that for a long time the government toyed with the idea of exploiting Dhodak as a gas field and finally, when it was found out that developing it as an oil field would be more profitable,



'the decision makers came to the inexplicable to foreign subcontractors instead of the Oil & Gas Development Corporation (OGDC), which has the experience and the know-how to handle the job.'

Increasing gap

While the domestic supply situation is showing a declining trend against projected output, the annual consumption growth rate of petroleum products is estimated at about five per cent for the next 10 years. The projected domestic output is estimated around 30,000 bpd by 1983-90. But this is based on the assumption that the availability

could be pushed up to about 12,000 bpd from the existing proven fields and 10,000 bpd from Bedim. This assumption has proved to be too optimistic.

So, while the consumption is expected to go upto nearly 200,000 bpd by 1983-90 from the present 120,000 bpd, the domestic production in view of the current indicators, would hardly be able to meet even 10 per cent of the country's oil requirement 10 years hence. In other words, Pakistan's oil import bill will increase from the present 1.6 billion dollars to nearly nine billion dollars if the international oil prices keep going up by 30 per cent annually.

On the face of it, the government is making efforts to discover new fields. To attract foreign oil exploration companies, it has evolved a very attractive package of incentives including hiking up of wellhead price for the crude which Pakistan will buy from these companies in case they strike oil. The Texaco Oil Company which is developing the Khushkeli field is getting about 30 dollars per barrel for its share of crude (49 per cent) which it is selling to Pakistan. The Pakistani Oils Limited has been promised wellhead prices equivalent to international prices for new discoveries. The POL is already receiving eight dollars per barrel for the Mayal output against 3.5 dollars per barrel fixed in 1978. The same pricing formula has been offered to the state owned OGDC.

In August the OGDC invited foreign oil companies for joint venture operations over eight on-shore blocks delineated as potential, as a result of seismic surveys and other work. The blocks are expected to be offered under concession agreement governed by the petroleum legislation already in force for several years.

Pakistan has so far concluded concession agreements with six foreign firms under the petroleum legislation which reportedly envisage that prices of new oil from any discovery would be linked to international prices and Pakistan would be entitled to a maximum of 50-55 per cent share in the agreed profits of the company. These agreements also provide for agreed share of OGDC in the development of any commercial discovery. Similarly, gas supplied from a new discovery would be ensured an agreed minimum return and its prices too would be linked to world oil prices.

Little interest in tenders

However, these attractive concessions and incentives have not evoked the desired reaction among the foreign oil exploration companies. The tenders floated in August, response to which was to come by October 31, are reported to have passed off without drawing the interest of any significant party except the Kuwait Oil Company.

Independent oil engineers say that even with the best of intentions and efforts the government would not be able to drill 30-35 wells annually which according to

these experts is "the" rate which is considered as just right. On the other hand, they said the Potohar region has so far produced only one field (Mayal) which is producing more than 1,000 barrels a day. The other five fields produce less than 1,000 bpd each. Therefore, they conclude that increased efforts to discover new wells in the region, would only result in the addition of very insignificant quantities, further reducing the production projections.

Gas instead of oil

There is a circle of experts which insists that the government should reduce its efforts on oil exploration and concentrate on exploiting the proven gas reserves. Besides the Sui and Marri fields which are at present producing 72 and 150 mmscfd respectively, there are about seven fields which have great potential. Of this the Pirkan field is being developed presently.

The fields situated at Zin, Uch, Khairpur, Kaad Kot, Mauzai and Seri Hundi together have reserves over 10 trillion cubic feet of gas while Sui, Marri and Dhulian together have around 18 trillion cubic feet of gas. If a part of the resources now being spent on oil exploration are diverted to gas development, these experts say, the component of gas in the energy consumption mix could be increased to counter the expected negative impact on the economy of increased need for oil imports at exorbitant prices.

These experts say that the 10-year energy plan prepared in 1975 by the Acres International, a foreign energy consultancy group, had predicted that Pakistan would face an acute energy crisis in the early eighties and had concluded that only the country's gas potential could help it face this crisis with any degree of success. But it seems that nobody in a position to do something about it did take this warning seriously.

Oil refining experts say there was a solution for the emerging crisis. They say if the 2.5 million ton Multan refinery sanctioned in the late sixties, had come on stream in time, Pakistan could have saved millions of dollars which it spends for importing kerosene, HSD and JP 1, and earned a lot by exporting surplus products such as naphtha

and furnace oil. Today the need to establish a refinery at Multan has increased manifold, they say. The pipeline for the refinery has already been laid.

In the seventies the Multan refinery project, which was sanctioned to the Dewood group was transferred in the public sector. But the government had taken up so many responsibilities in the industrial sector that the refinery could not be launched.

Then during the present regime, the planners diverted all resources meant for building this refinery to increasing the capacity of Attock refinery because it was thought that the Kazian well, estimated to produce 35,000 bpd, would need all the refining capacity needed at a nearby place. The Kazian well has turned into a virtual dry hole and a large portion of the Attock refining capacity is lying idle.

Recently PARCO has been asked to relaunch the project. The thinking in the concerned quarters is also reported to have changed in this connection.

Not by grandiose talk

Some oil economists believe that Pakistan could effect a five per cent energy conservation if it can evolve the right product specifications for imported deficit petroleum products. In the absence of this, they said, Pakistan is wasting a lot of costly petroleum products. Informed circles say that new specifications were announced in April this year but they have not been enforced.

Pakistan has not taken advantage of the current recession in the oil market and is importing most of its requirement of crude and petroleum products at posted prices. Almost all the deficit petroleum products are being imported from Kuwait at the posted prices and the specifications of these products, it is said, are not uniform.

Summing up, an oil expert said, Pakistan is heading towards a very serious oil crisis which would make the previous and current oil problem look like *tiny* irritants, as he put it. Instead of talking grandiosely about grand oil plans and bringing costly foreign consultants for advice at this stage, it would be beneficial if the planners take a look at those aspects of the problem which could be resolved immediately and economically by local experts.

WORK ON PIRKOH-SUI GAS INTEGRATION STARTS

Karachi DAWN in English 25 Nov 82 p 8

[Text]

QUETTA, Nov 24: Work on the integration of the newly discovered Pirkoh gas with Sui gas has begun.

The project which would cost Rs. 340 million including a 70 percent foreign exchange component, is scheduled to be completed by December 1984.

Under the plan a 74-KM pipeline is being laid from Sui to Pirkoh.

Official sources say that the new reserves found in Pirkoh (Bugti Tribal Area) of Baluchistan are estimated at one trillion MCF. The reserves to be consumed at the rate of 120 million MCF would last for about twenty years.

The Asian Bank has provided the loan for implementing the project.

In the meantime, the Oil and Gas Corporation (LGC) is carrying out exploration work to find out new gas reserves. The OGC is drilling three wells in the area from its own resources and another three wells from the Kuwait Fund.

Sui gas was found in 1955 and

pumped the following year for consumption at the rate of 75 million MCF per day. The production has shot up to 640 million MCF and the consumption of the Sui gas reserves at this rate are to last for another twenty years.

The Sui gas today is meeting 42 per cent of the country's fuel requirements, saving considerably the hard-earned foreign exchange. Sui Gas today is meeting domestic, industrial and agricultural needs from the distant Northern Areas to Karachi. In the south, the integration of Pirkoh reserves with the Sui gas field would augment the supplies considerably and the reserves are to last for another about 15 years.

The present Government realised the energy needs of the source province and prepared a master plan to provide natural gas to Quetta and other places en route direct from the gas field.

Under the plan estimated to cost

Rs. 700 million, a pipeline is being laid from the gas fields to the provincial capital.

It includes laying of 40 KM of pipeline in one of the most difficult terrain in the Bolan River bed. The project is being completed about six months ahead of schedule by the end of this year, to meet the fuel requirements in the ensuing cold season and an amount of Rs. 70 million has been saved from the original estimates.

President General Mohammad Zia-ul-Haq is scheduled to inaugurate the project on Jan 6 next, the sources said.

The Government has given to the Indus Gas Company an amount of Rs. 200 million for the laying of the pipeline in Quetta city. Initially, five million MCF gas would be supplied to the city, but the gas pipeline has the capacity to supply 24 million MCF to meet the increasing demand.—APP.

CSO: 4200/192

RAILWAYS TO IMPORT 30 NEW LOCOMOTIVES

Karachi DAWN in English 3 Dec 82 p 9

[Text]

MULTAN, Dec 2: The General Manager, Pakistan Railways, Mr A V. Zaffar, has said that 30 new locomotives costing Rs 53 crore will be imported during the next financial year.

Talking to newsmen on Wednesday night on his arrival here from Lahore by train he said that the purchase of these locomotives is in progress and as a first step the concerned Ministry, will call for tenders from foreign firms for supply of these locomotives.

He said that with the arrival of these new locomotives the operation of trains will certainly improve.

He said all-out efforts are being made to reduce late running of trains of all sections of the Railway. He added that so far between 80 and 90 per cent improvement had been made in this regard.

About the introduction of new Railway time and fare-table he said it is expected to be out by the middle of the current month.

Regarding changes demanded by public in the new timetable he added that these could be made by the Railway Minister himself.

Regarding the announcement of correct date and time for running the new 25-bogie fast train from

Karachi to Rawalpindi under the airbrake system Mr Zafar said that this will be announced by the Railway Minister at a Press conference to be held by him very soon.

He said that trials of this fast train have successfully been concluded.

The General Manager, PR, said that the microwave telecommunication system will come into operation after necessary testing has been completed. He said that the testing which is still in progress is expected to be completed by March next year.

FUNDS PROVIDED

Regarding improvement of internal condition of bogies he said that funds have now been provided for purchase of electric bulbs, water-taps and other essential spares which would be stocked with the concerned Railway staff at all big stations like Khanaewal, Samasatta and Rohri for immediate fitting in the bogies where required during the movement of trains, so that the travelling public may not face any difficulty during their journey.

Regarding the reported cases of

different types of crimes in running trains, Mr Zafar said, he held a conference of Railway Police officers in his office the other day and advised them all to intensify measures to strictly check these crimes in order to protect the life and property of the passengers. He added that Railway Police has also been advised to continue checking of theft cases in the goods trains also.

He disclosed that the Railway Police has recovered stolen goods worth about Rs one lakh from a police constable deployed at Lahore Dry Port which were allegedly stolen from the Port premises. He added that further investigations are in progress by the police into thefts committed in Port premises and more recoveries are expected. He said that Lahore Dry Port has proved successful and is earning considerable revenue. At the Dry Port priority is given for movement of fertilizer, rice, cement, export goods, wheat for the Afghan refugees, oilcake, coal from Quetta, petroleum and petrol products. He added that special wagons are necessary for safe transportation at the Dry Port.

CSO: 4200/190

MINISTER CALLS FOR MAXIMUM CREDIT TO FARMERS

Karachi DAWN in English 3 Dec 82 p 8

(Text)

ISLAMABAD, Dec 2: Syed Fakhar Imam, Minister for Local Government and Rural Development, today called for maximising credit facilities to small farmers for boosting agricultural economy of the country.

He was speaking at a seminar on the "Role of Banking in Pakistan" organised by the Allied Bank Limited in connection with the observance of the Banking Week at a local hotel.

Syed Fakhar Imam said that 72 per cent of the population of the country consist of the peoples belonging to the rural areas but the development of the rural sector had been awfully neglected in the past. He said that the degree of transfer of wealth from the rural areas to the urban areas had been enormous and now the Government had allocated more resources

for the uplift of the rural sector in the Sixth Five-Year Plan to rectify the situation.

Commending the role of the nationalised banks in the growth of the agricultural economy, he observed that a 40-per cent increase had been registered in agricultural growth during the last five years which had excelled the record of even the advanced countries like Japan in this field. "But, we should not be self-complacent and instead make efforts to increase per acre yield as well as boost growth per unit area," he added.

He suggested to Pakistan Banking Council to further enhance its allocation to the rural sector and also provide credits to local council and other local government organisation for bolstering rural economy.

Speaking on the occasion, Sheikh Ishrat Ali, Adviser to the President on Internal Trade and Business Coordination, urged the bankers to give full incentives to the small traders and industrialists who, he said, can play an important role in development of the country.

Mr. H.U. Beg, Federal Finance Secretary, said that the Government will provide financial assistance to the deserving talented students from the "Zakar" fund and from the "Qarne Hasna", scheme to enable them to continue higher studies. He said some 4,400 students had benefitted so far from it.

Earlier, Mr. Khadim Hussain Siddique, President Allied Bank Limited, highlighted the achievements of the nationalised banks.—APP

CSO: 4200/190

PLAN TO SET UP NATIONAL PARK IN NEELAM VALLEY

Karachi DAWN in English 3 Dec 82 p 8

[Text] Islamabad, Dec 2--The Government is planning to set up a national park in the upper Neelam Valley of Azad Jammu and Kashmir and the Kaghan Valley of the N.W.F.P. to promote tourism and preserve wildlife.

According to official sources a final decision in this connection will be taken at a meeting of the National Council for Conservation on Wildlife, expected to be held on the first week of this month. Vice Admiral Mohammad Fazil Janjua, Minister for Food and Agricultural will preside.

According to a survey conducted by the Council, the Neelam and Kaghan vallies have varied fauna, flora, scenic beauty and wild lands.

The park will serve as a natural outdoor museum, where native trees, plants, animals, and birds can be seen and studied in their natural state. It will also be an important source of recreation for tourists.

There are already five national parks in the country. These parks are Kirthar National Park, 160 kilometres from Karachi, Chiltan National Park, near Quetta, the Lal Sohanra National Park near Bahwalpur, Khunjerab National Park in the Northern Areas and the Margallah Hills National Park in the Federal capital.--APP

CSO: 4200/190

BRIEFS

PESHAWAR STUDENTS TEARGASSED--Peshawar, Nov 24--Six students were injured when police resorted to lathi-charge and teargassed a crowd of students of Government College, Peshawar City, when they took out a procession today in support of their demands and pelted the police with stones and fired blank shots in the air. Six policemen were also injured. The police have arrested a number of students for disturbing peace. The students were demanding release of one of their presidential candidates and four other companions, who were arrested yesterday following a disruption caused by a group of students who besides damaging a bus also injured a passer-by woman and a child. [Text] [Karachi DAWN in English 25 Nov 82 p 1]

LOW INFLATION RATE--The State Bank Governor, Mr A.G.N. Kazi, said in Karachi on Saturday that the rate of inflation in Pakistan is the lowest among the developing countries in the world. In an informal chat with newsmen after inaugurating the Banking Week, Mr Kazi said that the rate of inflation in the country was within control during the current year. The position was much better than the previous year, he added. He further said that it was the endeavour of the Government to keep the rate of inflation two to three percent below the previous year. To another question, the Governor said that remittances from overseas Pakistanis were on increase. "It is more than our expectations this year," he added. To another question, Mr Kazi said that the National Pay Committee would hold its next meeting on Dec. 1. He said that although the committee was scheduled to submit its report next month, lot of work remains to be done.--APP. [Text] [Karachi DAWN in English 28 Nov 82 p 1]

RICE AGREEMENT WITH TURKEY--Islamabad, Nov 27--Pakistan and Turkey have signed a new rice purchase agreement on Nov 25, says a message received here from Ankara. Under the new agreement, Turkey will meet its rice importation needs for the next five years, till December 31, 1986 from Pakistan.--APP. [Text] [Karachi DAWN in English 28 Nov 82 p 1]

VOTER ENLISTMENT DATE--Islamabad, Nov 30--Eligible voters have been given one more chance to get themselves registered in the existing electoral rolls. According to an announcement of the Election Commission, the last date for the receipt of the applications for additions, deletions and corrections of the entries in the rolls would now be January 31, 1983. The extension will also benefit those who would be attaining the qualifying

age during the extended period. The campaign for updating the existing rolls was launched on Sept 9 and with two extensions it continued till Nov 18. In view of the present extension, the Registration Officers have been directed to keep in abeyance the manuscripts of the lists of additions, deletions and corrections prepared previously on the basis of applications received till Nov 18. The Chief Election Commissioner hopes that the present extension will help have an updated and accurate electoral rolls.—APP. [Text] [Karachi DAWN in English 1 Dec 82 p 1]

MRS BHUTTO REPORTED PROGRESSING--London--Begum Nusrat Bhutto who is staying in a suite in 'Forces Hotel', Munich, booked in the name of her son-in-law, Mr. Hussain, is making steady progress. According to her personal physician, Dr. Abdul Hayee Saeed, a panel of Munich hospital doctors would decide within a day or two, if she would need surgery. Her doctors have advised her complete rest, which she is not getting because of the visitors from different branches of PPP in Europe and the UK. The first person to see her last Sunday was the Secretary-General, defunct PPP, Dr. Ghulam Hussain. He has confirmed on telephone from Berlin that during his meeting with his party chief she expressed complete confidence in him and charged him with the responsibility of reorganising the various branches of PPP in Europe and the UK. She is believed to have told him that the in-fighting within PPP should stop forthwith, so that the demand for the restoration of democracy in Pakistan might gain strength from their unity. [By Yehia Syed] [Text] [Karachi DAWN in English 1 Dec 82 p 1]

SIND MINORITY COMMUNITY'S DEMANDS--A delegation of minority community of Sind presented a memorandum of demands and grievances to the Governor of Sind on Monday, says a Press release. They demanded more powers to the Minority Councillors; exemption from Hadood Ordinance; inclusion in Crime Control Committees, Provincial Advisory Council, Railways, KPT, SITE and a piece of land as a special case for solution of their housing problems. The deputationists including Mr. Nazir Michael, Councillor; Mr. Kalidas J. Kandara and Mr. Nanji, Justices of Peace and Mr. Kanji Kara Bhai Manglia, urged the Governor to denationalise educational institutions of the minorities and sanction additional funds for them in KMC budget and other local of the province. They also pleaded for inclusion of minority members in various delegations and reception committees; setting up of an Employment Cell and a Minority Lease Committee. [Text] [Karachi DAWN in English 1 Dec 82 p 4]

URDU SCIENCE BOARD PLANNED--The Federal Government has decided to set up "Urdu Science Board" to prepare standard dictionaries of scientific and technical terms for the use of individuals and institutions, it was officially learnt. The other functions of the Board will be to remove existing deficiencies in Urdu, particularly in the field of natural and social sciences as well as in technologies so that it can become the medium of instruction at the higher levels of education.--APP. [Text] [Karachi DAWN in English 1 Dec 82 p 14]

PIRKH GAS WELL INAUGURATED--Quetta, Nov 30--The Governor of Baluchistan, Lt-Gen. Rahimuddin Khan, inaugurated Well No. 3 at the Pirkot gasfield on Tuesday morning during the last leg of a three-day Kohlu Agency tour. The Governor was earlier briefed about the progress of the Pirkoh project by Mr S.M.H. Rizvi, Chairman of the Oil and Gas Development Corporation. He was told that OGDC was carrying out an extensive survey of the area to locate gas deposits. The Governor expressed his satisfaction over the work being done by the OGDC in the area. The OGDC Chairman informed Gen. Rahimuddin that the Asian Development Bank was providing financial assistance for the project while the World Bank has also shown interest in it. He said the Corporation was also providing employment, medical and drinking water facilities to the people of the area. [Text] [Karachi DAWN in English 1 Dec 82 p 16]

TI DEMANDS RELEASE--Urging release of those recently arrested and withdrawal of exterrnent orders, the defunct Tehrik-i-Istaqlal yesterday said: "It is in the interest of all that political question be debated in a calm atmosphere." The party's statement was signed by its Vice-President, Mr. J. A. Rahim; Secretary-General, Mr. Mushir Pesh Imam; and Chairman, Sind Branch, Mr. Ahmad Mian Soomro. They protested against the policy of discrimination in as much as the parties which are "favoured" are allowed to hold their meetings "unhindered" while the right of others was being "curbed." Meanwhile, Mr. Rashid A. Kidwai has been appointed as Information Secretary, Sind of the party in place of Mr. Humayun Gohar, according to a Press release. [Text] [Karachi DAWN in English 1 Dec 82 p 16]

SOUTH KOREAN TRADE TEAM--A 15-member trade mission of the Republic of Korea arrived in Karachi yesterday on a 5-day visit to explore the prospects of increasing two-way trade between Pakistan and the Republic of Korea. Headed by Mr. Kim Mayung Sup, the mission includes 14 prominent Korean businessmen and one representative each of Korean businessmen's association and the Commerce Ministry. The mission is interested in finding out market in Pakistan for Korean auto-parts, tents and camping goods, telephones, textiles, cassettes, tape-recorders, paper and leather goods, fertilizer, cement, iron and steel products, soft-ware, electronics, sock knitting machines and plant, textile machinery and stamping machines etc., and in the import of Pakistani leather, skins, copper scrap, medical supplies, fish, frozen bean, and other commodities.--PPI. [Text] [Karachi DAWN in English 1 Dec 82 p 16]

TURBINE AT COAL DEPOSITS--Hyderabad, Nov 27--Three hundred MV turbine will start functioning at Lakhra coal deposits next year to overcome power shortage in the country, Maj-Gen. Ghulam Safdar Butt, Chairman of the WAPDA, said here on Thursday. He told a representative gathering at the Darbar Hall of Shahbaz building that the objective was to utilise 250 million ton coal deposits at Lakhra for power generation. He said WAPDA intended to raise power generation capacity at Lakhra to 5000 MV. [Excerpt] [Karachi MORNING NEWS in English 28 Nov 82 p 5]

NIGERIAN DELEGATION ON VISIT--A seven-member delegation from Borloe, Nigeria, headed by Deputy Governor Mr. Birma al-Haji Ibrahim Anaf, including two Ministers will be visiting Pakistan Machine Tool Factory (PMTF) tomorrow to seek its cooperation in the establishment of a foundry, training institute and skilled manpower for their country. The visit of this high-powered delegation to Pakistan is in response to the visit of Major General Mohammad Saeed Khan the Managing Director of the PMTF, who paid a market exploring visit to Nigeria last week. It may be mentioned here that PMTF is manufacturing all sorts of conventional weapons including rifles, light machine guns, mortars, and anti-aircraft guns which are also being exported substantially, thus earning a good amount of foreign exchange for the country. The delegation will be arriving here on Nov. 29 and will call on the Sind Governor Lt-Gen. S.M. Abbasi the same day. The next day the delegation will pay a visit to the PMTF where the Managing Director of PMTF will apprise and highlight the functions of the factory. [Text] [Karachi MORNING NEWS in English 28 Nov 82 p 8]

IDENTITY CARDS REQUIRED FOR PASSENGERS--People intending to travel in the trains will not be able to get a reserved seat if they do not have the national identity card. Pakistan Railways has made it compulsory for all intending railway passengers to produce the national identity card at the time of reservation of a seat. The NIC number will be written on the reservation card. Reservation on the basis of production of national identity card in all classes and in all trains has been introduced from December 1. However, it was not known if a person intending to travel along with his family members would have to produce national identity cards of all the members or whether only one card of the head of the family would be sufficient for the purpose of reservation of all. It was also not known if the passengers would have to carry their NIC with them during journey for the purpose of counter checking. Railway sources here said that certain clarifications from the head office in this regard were awaited. Surprisingly, long queues of intending passengers were non-existent at the City Railway Station on Wednesday evening more because for want of NIC.--APP. [Text] [Karachi MORNING NEWS in English 3 Dec 82 p 9]

AID FOR POPULATION PLANNING--Islamabad, Nov. 28—Britain will provide three million pounds for population programme of the Government of Pakistan. This was disclosed by Sir William Ryrie, Permanent Secretary British Overseas Development Administration (ODA) who called on Dr Mrs. Attya Inayatullah Advisor to the President on Population Planning here this morning. William Ryrie discussed matters relating to technical assistance by ODA to the population programme in Pakistan. The interest of the British Government in supporting the population programme was reiterated by Sir William Ryrie who stated that as a start with an approximate sum of three million pounds had been allocated for this sector. Identification of areas of assistance also came under discussion and it was indicated that the contribution could be made on a bilateral basis and also through the World Bank project. The meeting was attended among others by the ambassador and economic counselor of the British embassy and senior officials of the Population Division and Economic Affairs Division.--PPI. [Text] [Karachi BUSINESS RECORDER in English 29 Nov 82 p 1]

BALUCHISTAN CIVIL AVIATION FACILITIES--Quetta, Nov 29--The Federal Government has undertaken a comprehensive programme for improvement and development of civil aviation facilities in Baluchistan at an estimated cost of about Rs 80 million. The programme under execution envisages further improvement of air travel and quick communication and transport facilities in inaccessible areas of the province. Under this programme civil aviation facilities have already been streamlined at Pasni and Turbat, while similar facilities are being developed at Zhob, Sibi and Khusdar. The Quetta Airport has already been expanded and runway strengthened for wide bodies airliner. Socio-economic development of the remote areas of the province would get a great fillip with the development of basic aerodrome facilities in these areas in less than three years time.--PPI. [Text] [Karachi BUSINESS RECORDER in English 30 Nov 82 p 2]

PRESS WORKERS' REINSTATEMENT URGED--The President, Pakistan Federal Union of Journalists, Mr Rashid Siddiqi, has demanded reinstatement of about 70 newspaper workers, including those of National Press Trust. He said these workers were sincere as well as patriots, but they had been removed from services on account of a group of bureaucrats who wanted to create misunderstanding between the Press and the Government. Mr Siddiqi, who is meeting Press workers and journalists, reminded them that President Mohammad Zia-ul-Haq had said that journalists should come forward to point out and combat anti-Pakistan elements who were trying to harm the country.--PPI. [Text] [Karachi DAWN in English 3 Dec 82 p 21]

CONCERN OVER DETENTIONS--Larkana, Dec 2--Maulana Jan Mohammad Abbasi, Naib Amir of the defunct Jamaat-i-Islami, expressing concern over the detention of various politicians, has said that the arrest and confinement of political workers, under Martial Law regulations, is not in the interest of the nation and the country. He said this while commenting on the arrest of political leaders.--PPI. [Text] [Karachi DAWN in English 3 Dec 82 p 21]

BHUTTO TO STAY CHAIRWOMAN--London, Dec 2--Begum Nusrat Bhutto has said that she had no intention to withdraw from the leadership of the defunct PPP the BBC reported tonight. In an interview to REUTER in West Germany, where she is under treatment for lung cancer, she said that her doctors were hopeful of her recovery. She said one of her lungs was affected by cancer. She was of the view that she would have to stay in Europe for treatment for further six months.--PPI [Text] [Karachi DAWN in English 3 Dec 82 p 21]

PAMPHLET PROSCRIBED--Lahore, Dec 2--The Government of the Punjab has proscribed the pamphlet entitled "Jamhoori Pakistan" issue No 9, Volume No. 4, dated 12.9.1982, as it contains objectionable material, says a handout.--APP [Text] [Karachi DAWN in English 3 Dec 82 p 24]

REPUBLIC OF KOREA CONSULATE--Lahore, Dec 2--The Consul-General of the Republic of Korea in Pakistan, Mr Jay Hee Ho on Wednesday formally opened the honorary consulate of his country at Gulberg here and announced on behalf of his Government the appointment of Choudhry Shujat Hussain as honorary Consul of the Republic in Lahore. The ceremony was attended by the elite of the city and foreign diplomats stationed in the provincial metropolis. The Punjab Law Minister Choudhry Abdul Ghafoor, was the chief guest on the occasion.--APP [Text] [Karachi DAWN in English 3 Dec 82 p 8]

LOAN FOR TARBELA PROJECT--The Asian Development Bank has approved a dollar 29 million loan for the Terbela hydro-power extension project (units 9 and 10), it is learnt. The total cost of the project is estimated at dollar 159 million of which the foreign exchange component is dollar 78.65 million and the local currency component dollar 80.35 million. The Asian Bank loan will be used to finance part of the foreign exchange cost, with the Canadian International Development Agency (CIDA) financing dollar 17 million and the OPEC Fund for International Development dollar 32 million. The local currency cost will be defrayed by the Pakistan Government.--PPI [Text] [Karachi DAWN in English 3 Dec 82 p 9]

SEED PROCESSING PLANT--Lahore, Dec 2--Khanewal Seed Processing Plant will go into production following formal inauguration by the end of next month, it is officially learnt. The plant completed at a total cost of Rs 7.21 crore with the assistance of the World Bank, will annually process 17,100 ton of wheat seeds and 12,000 tons of cotton seed.--APP [Text] [Karachi DAWN in English 3 Dec 82 p 9]

CSO: 4200/190

PAPUA NEW GUINEA

BRIEFS

AID INCREASE--Australia has again been asked by Papua New Guinea's prime minister, Mr Somare, to increase its aid to the country. Mr Somare made the request during a meeting with Australian aviation minister, Mr Fife, in Port Moresby today. Mr Fife is visiting Papua New Guinea for the final handing over of aviation responsibilities to Papua New Guinea's transport department. Radio Australia's Port Moresby correspondent, Sean Dorney, says Mr Somare asks for the meeting with Mr Fife to request that Australian aid be restored to what it was last financial year. Under an agreement between the two countries, which is now in its second year, Australian aid to Papua New Guinea has been reduced over a 5-year period. But Sean Dorney says Papua New Guinea wants an extra A\$20 million in 1983 to help make up for the effects of the world recession. The Australian dollar is worth slightly less than the American dollar. Australia has agreed to look at aid for Papua New Guinea again in Canberra in February. [Text] [BK021429 Melbourne Overseas Service in English 0830 GMT 2 Dec 82]

CSO: 4200/199

MEETING NOTES NEW NPA TACTICS

HK060251 Manila BULLETIN TODAY in English 5 Dec 82 pp 1, 12

[Text] Davao City, 4 Dec--Lieutenant General Fidel Ramos, constabulary [PC] chief, disclosed here today the Communist Party of the Philippines [CPP] and its military arm, the New People's Army [NPA], have adopted a campaign to assassinate selected government officials, including Barangay captains, councilmen, and mayors.

Ramos said the CPP-NPA campaign is a scheme to spread terror and make the citizenry lose their faith in the government.

Ramos, who is concurrently Integrated National Police [INP] director-general, made this disclosure at a top-level conference with PC-INP commanders of regions 8, 9, 10, 11 and 12.

The conference was held at the region 11 headquarters under Col. Dionisio S. Tan-gatue, where Brig. Gen. Cirilo Bueno, Col. Valerio Perez, Commander of Region 10, and Tan-Gatue took turns briefing Ramos.

Ramos ordered PC-INP commanders to adopt effective countermeasures in dealing with the new CPP-NPA campaign.

The new pattern of operation by the rebels, Ramos said, is widespread as confirmed by captured documents in northern Luzon, Bicol, Samar and other parts of the Visayas, Mindanao, and in underground houses in urban areas, including Metro Manila.

The new campaign, the PC chief said, had already claimed the lives of some Barangay captains and councilmen, and town mayors in Cagayan Valley, Kalinga-Apayao, Ilocos provinces in the north; Bicol and Quezon in the southern Tagalog Region; in the Visayas and Mindanao.

Ramos cited the assassination of Digos (Davao Del Sur) Mayor Llanos, Mayor Lucero of Calbayog City, and Mayor Baluran of Rizal, Cagayan.

He said the new campaign is a deviation from the usual communist strategy. The old strategy, Ramos said, rode on some legitimate gripes and issues such as the copra levy, increase of tuition fees, unemployment, low wages of laborers and teachers, and other labor problems. The objective was to make the people hate the government and the people running it, he said.

In the three Davao provinces alone, Ramos was told at the briefing, the CPP-NPA is engaged in a stepped-up campaign and recruitment activities. The group is also organizing several front organizations and armed guerrillas, the regional commanders said.

PHILIPPINES

CPP PROPAGANDA NEUTRALIZED

Cebu City VISAYAN HERALD in English 23 Nov 82 p 1

[Text]

SAMAR — The military has virtually neutralized the political propaganda of the Communist Party of the Philippines or CPP.

Thus, the Philippine News Agency reported Brig. General Salvador Mison as saying, the CPP's Eastern Visayas Regional Party Committee has been rendered practically non-existent.

The Committee, which used to be known as "the best organized CPP contingent in the country," has been reduced to a small unit called the Samar Island Party Committee, the PNA further reported Mison as saying.

It was reported that the CPP in the region has shifted its operation from armed activities to political propaganda, "using even the clergy in pastoral work for teach-ins and lectures." (Chito de la Torre, OMA-8)

CSO: 4200/185

BARANGAY LEADERS ASK FOR GUNS

Manila BULLETIN TODAY in English 29 Nov 82 p 1

[Text]

Officials of Manila's more than 900 barangays are asking that they be allowed to carry firearms to help fight drug addiction and other forms of criminality in their respective areas.

The Association of Barangay Captains said it will submit shortly a memorandum to the Metro Manila Commission on its proposal.

Manuel S. Bagatsing, ABC president, said the group will seek the advice of the MMC, but final decision will be sought from President Marcos and Defense Minister Juan Ponce Enrile.

At present, only selected barangay officials in far-flung areas are issued firearms to fight dissidents.

Bagatsing said approval of the request will boost President Marcos's renewed crackdown against the drug menace.

Statistics show that

Manila has the worst drug problem, mainly because it has the most number of schools and slum colonies where many young men and women turn to drugs for various reasons.

Bagatsing said that any drug campaign needs grassroot supports "and this is where the barangays play a pivotal role."

Members of the drug syndicates were known to be fully armed to protect their flourishing racket, causing some barangay officials to be indifferent to the problem.

Bagatsing cautioned, however, that the approval of the request should be accompanied by strict guidelines to prevent abuses.

Barangay officials from other towns and cities in Metro Manila are expected to make a similar proposal if Bagatsing's request is approved.

CSO: 4200/185

PHILIPPINES

VIRATA PREDICTS \$1-BILLION BALANCE-OF-PAYMENTS GAP

HK040154 Manila BUSINESS DAY in English 3 Dec 82 p 3

[Text] The government is expecting close to \$1-billion deficit in the country's international payments this year. This is way above the \$800-million Central Bank [CB] projection last September and almost double the \$560-million deficit recorded last year.

Prime Minister Cesar Virata in a talk before the rotary club of Manila yesterday revealed the latest projection on the balance of payments (BOP)--the record of Philippine transactions with other countries. He said the huge payments gap would be recorded despite an almost zero growth in the amount of imports this year.

This indicates that since prices of imports went up this year, the Philippines actually bought from other countries a lower volume compared to 1981 importations. To make matters worse, the average price of the country's exports further dropped this year, weakening the country's ability to pay imports from export receipts.

Virata said export prices went down by 9 percent this year, and this deteriorating terms of trade caused a slower growth in the economy. Sources in government said Virata has intimated that a 2.8 percent growth this year would be a "realistic" projection, against last year's 3.0 percent announced by government.

The projected \$1-billion BOP deficit this year is also far above the CB's target of \$500 million set early this year, which the International Monetary Fund had considered to be high and unsustainable.

Measures: Virata said to bring down the BOP deficit next year, government has adopted its own adjustment measures. He was referring to the slash in government spending next year, with government to release only about P53 billion out of a P65-billion budget approved by the Batasang Pambansa.

The aim is to prevent the government from competing with private business for funds in the domestic capita market, since the government has "high hopes" for a business recovery. If a recovery abroad would finally come about next year, private business can grow by about 12 percent including services, Virata said.

Thus, government wants to continue programs to reshape the economy's structure, orienting private business towards production of products which are competitive abroad. The country for some years will still depend on export earnings to pay for necessary imports such as raw materials and equipment and oil, Virata said. These imports can allow a fast development, although the country is gearing towards lesser dependence on these importation by developing its own, Virata added.

Virata said other government measures to bring down future BOP deficits are:

--attracting more firms to put up factories in export processing zones.

--giving incentives to construction firms with contracts abroad.

--development of agriculture for import substitution and actual exports.

--harnessing domestic energy sources, although this program would require P1-billion investment annually for the next five years.

--strengthening ties with ASEAN countries which would facilitate joint ventures and preferential trade treatment.

--negotiating for higher quotas in textile exports.

--moving against the subsidy given by the European Economic Community on their member-countries' sugar production, the main cause of the drop in sugar prices.

CSO: 4200/201

VIRATA STRESSES FISCAL SELF-RELIANCE

HK070140 Manila BULLETIN TODAY in English 6 Dec 82 pp 1, 13

[Text] Cebu City, 5 Dec--Prime Minister Cesar Virata today said the government will be more self-reliant in its 1983 fiscal program even as he justified foreign borrowing as necessary to finance development.

He met with newsmen here today in connection with the launching of the University of the Philippines diamond jubilee celebration in central Visayas.

The prime minister said the balance-of-payments deficit which is estimated at \$1 billion this year will be reduced by 40 or 50 per cent, or to only \$500 or \$600 million in 1983.

Virata said the current budget deficit of P14 billion will be reduced to P9.4 billion in 1983.

He said the Philippines can no longer afford to keep on printing money or borrowing from abroad.

He said the government has adopted a policy of improving the mobilization of domestic resources, like encouraging voluntary savings, by increasing interest rates.

He said it is the government's objective to attain a 27 per cent national savings ratio in relation to the gross national product.

Virata said this is not impossible because the Philippines today ranks among the world's lowest in national savings-gross national products ratio at 25 per cent.

He said this is the highest ratio achieved by the country and this was one of the outstanding economic developments brought about by the declaration of martial law.

He said the government will give the private sector a bigger share in the availment of the Philippine credit resources which is P135 billion. He said the government cannot do away with foreign borrowing because it cannot rely purely on domestic sources for financing its development projects.

Virata said the government has to sustain its development projects to keep pace with population growth in anticipation of world economic recovery.

However, he stressed, foreign loans are exclusively used for development projects like roads and bridges, and not for operating expenses of government.

He lashed out at critics of the economic policies of the administration, saying that they "should read first before they talk."

Virata maintained that the Philippines fared better than most countries in the world this year, pointing out while the country experienced a three per cent economic growth, developed countries had only 1.5 per cent growth, and the oil exporters experienced a negative four per cent.

CSO: 4200/202

PHILIPPINES

GOVERNMENT LOSES 10 BILLION PESOS TO GRAFT

HK060259 Manila TIMES JOURNAL in English 4 Dec 82 p 2

[Text] The government loses about P10 billion to graft and corruption every year.

Half of the amount is lost through "under-the-table" deals in government transactions. Most of these deals involve "grease money or goodwill money."

The rest of the amount is actually lost due to malversation and mishandling of government funds.

This was revealed in a paper written by Victoria A. Bautista and Eleanor E. Nicolas, professors at the UP [University of the Philippines] College of Public Administration, and submitted to the second conference on public administration being held at the Philippine International Convention Center.

The study said that in 1981 alone, P117.5 million was lost due to malversation or mishandling. Of this, only P1.4 million was returned to the government.

Among government offices cited for incidence of graft and corruption were the National Housing Authority, the Bureau of Internal Revenue, the Metro Manila Commission, the Ministry of Labor and Employment, the Food and Drug Administration, the Ministry of Transportation and Communications, the Bureau of Customs and the Manila International Airport.

The paper also cited findings of a survey that showed that 77 percent of the public looked at government agencies as corrupt and that the public had very low respect for workers in government service.

The study further noted that the complex system of justice in the country hindered the prosecution of criminal and administrative cases for graft and corruption.

It also blamed the public for the corruption because in many instances, they tolerated and encouraged graft and corruption.

Among businessmen, for instance, corruption money is almost considered as part of the cost in their respective businesses. Anyway, the "extra cost" can be passed on to consumers.

PHILIPPINES

MARCOS RULES OUT PESO DEVALUATION

HK090137 Manila BUSINESS DAY in English 8 Dec 82 p 3

[Text] President Marcos yesterday ruled out any possibility of the government's officially devaluing the Philippine peso.

Fears of devaluation of the peso were expressed by several quarters due to the continuing decline of the peso in relation to the U.S. dollar.

Devaluation or depreciation is the reduction of the official rate at which one currency is exchanged for another.

Mr. Marcos earlier said that the peso has declined by almost 10 percent from P8 to P9 to the dollar.

Mr. Marcos said further that devaluation would "hit the wrong" sector--that of the fixed salaried people.

Devaluation will mean that the Philippine peso will purchase less dollars. In other words, dollars will become more expensive.

The Central Bank [CB] has indicated that the peso-dollar exchange rate "may reach more than P9 by early next year." As of yesterday, the interbank guiding rate was pegged at P9.007 to \$1.

Mr. Marcos said that devaluation is "too artificial" and not the true solution to the problem of the declining value of the peso. What we need is a "gradual adjustment, so that the fixed income group will not be suddenly hit by the change," the president said.

Devaluation of the peso may also trigger wage hike demands from the low and fixed income groups because with devaluation, the purchasing power of the peso will be reduced.

CB Governor Jaime C. Laya had said that the CB is allowing the peso's exchange rate against the dollar to float. Since there is a greater need for dollars, as shown by the country's huge deficit in international payments, the peso's value naturally would drop.

Laya also said that the CB interferes in foreign exchange trading to prevent sharp declines in the peso-dollar exchange rate.

The peso's falling value against the dollar has both advantages and disadvantages for the economy, Laya said. Exports would be more competitive, since the dollar price of Philippine products would be lower as the producer would retain their peso costs. He nevertheless noted that imports and dollar loans would have higher costs, since firms must have more pesos to pay for the same amount of imports and loans.

CSO: 4200/202

CHARGES FILED AGAINST PRIESTS, NUNS

Manila PHILIPPINES DAILY EXPRESS in English 27 Nov 82 pp 1, 6

[Article by Yvonne Chua]

[Text] SEVEN priests, two nuns and 14 others, many of them church and social workers, were charged yesterday in Davao and Samar courts with inciting to rebellion and related crimes.

Six of the priests were charged in Catbalogan together with the two nuns and 10 others, while the seventh priest was charged in Davao with four others.

PALO, Leyte, Nov. 26 — Eighteen persons, including six priests and two nuns, have been charged with inciting to rebellion before the Catbalogan court of first instance in Western Samar.

The charges were filed by second assistant fiscal Justo M. Sultan based on "bundles of documents" presented by the AFP eastern command.

The accused are reportedly founders, organizers, promoters, directors, leading officers, and members of a front organization of the Communist Party of the Philippines.

CHARGED were Msgr. Norberto Hacbuang, alias Ka Diego; Fr. Josefino Gonzales, Fr. Edgar Kangleon; Fr. Edgar Dones; Fr. Pedrito Lucero; one Fr. Jose Pepe; Sister Elene Gutierrez and sister Thelma Oauron.

The other accused who are church lay workers, were identified as:

Ludivina Babantes; Loreta Diego; Fe Pelamiba; Teodoro Reyes; Antonio Asistio; Juanito Delimaba; Norma Salayao; Virginia Adriasola; Boy Sabandal and Jose Mabulay.

The 18 are allegedly connected with the Social Action Center, Social Action Visayas, Church sector of the CPP; the National Religious Union in Samar-Leyte; and the Religious Radicals which Sultan said are CPP front organizations.

CFI JUDGE Wenceslao Poln has issued the warrant of arrest for the 18, but only four of them have been arrested. They are Asistio, Juanito Delimiba, Gutierrez and Kangleon. Gutierrez is out on bail.

In denying the charges, Samar church authorities explained that the nature of the church and the vocation of priests and the religious morally compel them to perform the responsibility of leading in the denunciation of all forms of injustices.

They said the church in Samar has always been cooperative with the government in programs that have served the genuine interest of the people.

DAVAO CITY, Nov. 26 — City Fiscal Emmanuel Galicia has approved the filing of charges in court against a Catholic priest and four others, three of them women, for conspiracy to commit rebellion

and illegal possession of explosives and bullets.

Charged were Fr. Orlando Tizon, alias Marvin Garcia, 34; Amelia Pineda Bato, alias Laura Cortez and alias Adel, 29; Nathaniel Arnejo, alias Obet, 28; Virginia Barimbao Arnejo, alias Elisa Morales, alias Julie and alias Lisa, 28; and Beatrice Asis de Vera, alias Beth and alias Betty, alleged officials of the Communist Party of the Philippines in Mindanao.

The five were captured in a raid in a house of a retired judge in the Skyline Subdivision in Catalunan Grande here last Sept. 20 which also resulted in the killing of Edgar Jopson, 34, alleged party secretary of the CPP in Mindanao.

THE MILITARY, through the regional judge advocate, Lt. Col. Enrique Lacanilao, said that Father Tizon is a former priest in Calbayog City who joined the CPP when he had a falling out with his bishop.

Bato and Barimbao allegedly handled the financial matters of the Mindanao CPP while Arnejo is said to be a researcher.

De Vera, wife of Benjamin de Vera, former party secretary who earlier escaped from detention, also did research work. At the time of her capture, Mrs. de Vera had just pleaded guilty to a subversion charge and served a six-month sentence.

THE CHARGE sheet indicted the five for "inciting to rebellion, illegal possession of explosives, and illegal possession of subversive documents."

Fiscal Galicia, however, found *prima facie* case against the accused only for "conspiracy to commit rebellion" and "illegal possession of explosives and ammunition."

The respondents, through their lawyers, earlier waived their right to file counter-affidavits.

CSO: 4200/185

CHURCH-STATE ROLES EXAMINED

Manila PHILIPPINES DAILY EXPRESS in English 28 Nov 82 Weekend Magazine pp 8, 10-15

[Article by Corazon C. Fiel]

[Text] *To be ready to die is clearly in accord with the teaching of the Gospel. But to be a guerilla means also that one must be ready to kill. Just how do you kill a fellow human being in love?*

— Douglas Hyde, S.J.

YES: how does one kill a fellow human being in love? The question is valid. And it is disturbing.

In the past few years, a new kind of priest has emerged on the contemporary scene: a priest with gun in hand.

In the Philippines, this phenomenon is all too real. Who has not heard of Fr. Zacarias Agatep — the first Filipino priest to die in search of a revolution? "Zach," as he was known to those who knew him best, was killed during an encounter with pursuing military soldiers one month ago.

By this time, Fr. Conrado Balweg, 38, is a name all too familiar. Fr. Balweg is an outlaw priest, having joined the New People's Army in 1979. He carries a prize of P200,000 on his head, ranking second-highest among NPA commanders in the military's most-wanted list.

And among those pinpointed by military authorities as "religious radicals" are the following: Edicio

de la Torre, charged with conspiracy to commit rebellion and inciting to sedition; Luis Jalandoni, conspiracy to commit rebellion and illegal possession of firearms and ammunition; Jeremias Aquino, who allegedly supplied arms and other supplies to dissidents; Orlando Tizon, who was arrested in the company of Edgar Jopson (now dead); Cesar Taguba, who reportedly spoke against the government in church forums; Nilo Valerio, Bruno and Cirilo Ortega, and Jose Nacu, believed involved in encounters with military troopers; and Edmundo Abadicio, believed to have been involved in organizing anti-government demonstrations.

In a sense, rebel priests, religious radicals and activist nuns present a portent of the times. The clergy today is at the crossroads. They are asking themselves: what must they do to bring the meaning of the gospel closer to the people, especially in the context of the times? Are the old, traditional ways of evangelization still relevant in the face of mass poverty, for instance? What exactly should be the role of the clergy?

The intensive debate has reached a larger, world-wide scale. The ferment is not only within the Catholic Church. Members of different Protestant sects are also

searching for answers.

For example, two large Protestant organizations are at odds with each other. The International Council of Christian Churches (ICCC) has accused the World Council of Churches (WCC) of militating against the Bible when the latter gives financial and moral support to alleged subversive movements in the Third World.

The WCC, on the other hand, contends that the poor, the dispossessed, and the oppressed look to the Churches for liberation... "not only deliverance from sin but also for the elimination of inequalities and injustices." The WCC has clarified that their aid for the poor and the oppressed are for their health, social, and educational improvement and not for the purpose of toppling legitimate governments.

The WCC is composed of the Aglipayan, the Methodist, the Episcopalian, United, and Lutheran sects. The ICCC is composed of the fundamentalists — a conglomeration of minor sects which are conservative, reactionary, and committed to the literal translation of the Bible.

If policies and methods are discussed and assessed within the higher councils of church hierarchies, rank-and-file members are translating them into action in the fields in different ways and means — armed struggle being the most extreme and dramatic of them all.

In the Philippines, the situation has come to a point wherein relations between the Church and the State seem to be sadly strained. Since the government has charged rebel priests with communist subversion, the Church has accused the government with outright persecution.

It was not at all this bad, this situation between the Church and the State. Time was when Cross and Sword went hand in hand. Where the Empire went — gathering new

lands and new territories, the Church went too — reaping a rich harvest of souls for Christ. This was especially true in the long centuries of Spanish rule. The relations between Church and State were at their most cordial and harmonious — until recently.

Here are what radical elements among the clergy are doing, as outlined in the *Malayang Pilipino*, a publication of the Ministry of National Defense:

"In the Philippine Church, radicalism has manifested itself in the adherence of some individuals and groups to ideological persuasions under the apparent impulse of defining relevance of the religious calling to modern times, avowedly to bring change within the Church itself and for the people who fall under its ministration. The trend towards greater social and political commitments on the part of the religious has thus given birth to a group of radicals and progressives.

"The religious radicals pose threats to national security in two (2) main categories: direct and indirect."

Falling under the direct category are groups of "radicals who have either joined the Communist Party of the Philippines and the New People's Army or the *Naghakaisang Partido Demokratikong Sosyalista ng Pilipinas* (NPDSP) and some other respective front organizations. Religious radicals of this group fully subscribe to the use of force and violence in the seizure of state power and are active in pursuing their objects in their respective positions as party functionaries and in their activities within the Church."

The government further charges that religious radicals in the CPP and the NPDSP have undertaken, or are engaged in the following:

1. Actively participating in the recruitment and training of revolutionary cadres within the Church and among the people. The following members of the clergy accused

under this category are: Father Edicio dela Torre, S.V.D., who at the time of his arrest was the head of the CPP National Liason Committee and the head of the Committee for the Participation of Christians in the CPP Preparatory Committee of the National Democratic Front, whose activities "centered on the development of alliances with all anti-government sectors of society. He also founded the Christians for National Liberation, which, military officials say, is a communist front organization engaged in recruiting Marxist-oriented members of the clergy.

Romeo Intengan, S.J., chairman of the Central Committee of the NPDSP, is known to have conducted seminars on urban guerilla tactics, particularly in the use of arson, together with some unidentified foreign instructors in Metro Manila;

Jose Blanco, another Jesuit priest, NPDSP member and secretary general of the KASAPI, "whose members were among the identified perpetrators of terrorist bombings in Manila in late 1980." He reportedly used the KASAPI to infiltrate and recruit members in civilian offices, private groups, and the military. Training in urban terrorist and guerilla activities has also been conducted through KASAPI and allied groups.

2. Organizing and managing revolutionary bases and front organizations in the guise of setting up legitimate community organizations.

The government has charged Fr. Luis Jalandoni for organizing the Negros chapter of the Federation of Free Farmers (FFF), a peasant group closely identified with the Jesuits even before 1972, and which is reportedly heavily infiltrated by both CPP and NPDSP cadres. Also, as head of the National Federation of Sugar Workers, Jalandoni is said to have used these organizations as

recruitment bases and for raising party funds. Through the efforts of these groups and several sympathizers in the Church and other sectors, communal farms, kibbutz style, were also put up in Negros province for the production of food for the communist movement.

In Davao del Norte, Fr. Emmanuel Nabaya organized the Small Christian Communities purportedly for the upliftment of the people but actually used these groups as revolutionary bases for carrying out CPP activities. By first indoctrinating lay deacons, locally called Kaabags, majority of the members of the small Christian communities were actually converted into communist rebel bands undertaking training recruitment, food production, and, at times, armed activities.

3. Extending direct aid to anti-government dissidents in the form of arms, ammunition, supplies, funds, and medicine.

4. Diverting funds intended for legitimate socio-civic and religious use, including those from various international donors, to support CPP programs of the Visayas Secretariat for Social Action (VISSA), the regional office of the National Secretariat for Social Action, Justice, and Peace (NASSA) run by the Catholic Bishops Conference of the Philippines (CBCP) but apparently without the knowledge of the latter. VISSA was used likewise to conduct research for the CPP in furtherance of its propaganda activities such as the research conducted on the "militarization" of Samar, aimed at convincing the Australian government to terminate a government-to-government aid program for improving socio-economic conditions in the area.

Funds from such sources as CARITAS International and MISEREOR (West Germany), ostensibly used for socio-economic

activities, have been used to finance urban guerilla training and organization efforts of the NPDSP.

5. Direct involvement with government troopers in armed encounters. Fr. Conrado Balweg was reported to be the leader of an NPA group which attacked a PC detachment at the Bagong Buhay Gold Mines, Balatoc, Pasil, Kalinga-Apayao, on September 11, 1980 in which seven soldiers were killed.

6. Using church facilities, publications, and other fora such as religious seminars for the propagation of extremist party lines and propaganda against government programs. Rev. Cesar Taguba, a minister of the National Council of Churches of the Philippines (NCCP) in Baguio City was instrumental in the publication of the united front propaganda opposing the government's Chico Dam project in Kalinga-Apayao, military authorities charged.

7. Organizing and participating in mass demonstrations and activities aimed at disrupting peace and order. Fr. Raymundo Abadicio was identified as one of those who led some 1,000 rallyists, "many of whom were armed," in a march in Plaza Roma, Intramuros, Manila, on June 5, 1976, to air anti-government issues. He was also active in such rallies and prayer meetings wherein various groups, particularly from the student, labor, urban poor, professional, and religious sectors openly voiced out what government considered as "seditious and inflammatory propaganda against the authorities."

8. Actively forging alliances with other anti-government groups supporting the use of violence as the primary means to overthrow the government. An example: Fathers Intengan and Blanco have been in constant contact with known rightists such as ex-Senator Jovito Salonga. Fr. Blanco was once reported to have met with the

Bangsa Moro Liberation Organization to coordinate an NPDSP plan to purchase firearms through this Muslim secessionist group in Southern Philippines.

The *Malayang Pilipino* article further stated that "the greater majority of religious radicals undertake activities which some sincerely believe to be legitimate dissent...but which tend to erode the faith of the people in the duly constituted authorities and alienate them from the government. Some of these activities aid the enemies of the State in creating a "revolutionary" atmosphere and increase the threat of general public disorder. Others result in situations which impede military operations in known dissident areas or obstruct the implementation of government development programs."

SOME of these activities which indirectly affect national security are:

1. Organization of community, sectoral or ecumenical groups for purposes of opposing government projects. An example is the Alliance of Squatters in Manila and Suburbs Against Demolition and Presidential Decree No. 814. "This has served to embolden squatters to resist government relocation and urban development programs. Some of the member organizations, said the article, have been infiltrated by communist elements.

2. Use of church facilities, including church publications and the pulpit, to sensationalize grievances against the government, apart from failure, in the first instance, to bring such grievances to the proper authorities for redress. Bishop Julio Xavier Labayen, bishop of the prelature of Infanta, Quezon, has in many instances lambasted government policies and programs in church-sponsored seminars and multi-sectoral conferences and through church media facilities like the radio station

DXJO. The article claimed that the bishop was primarily responsible for the extensive publication in the local media and through leaflets, even before verification with government authorities, of the alleged kidnapping by the military of Fr. Raymundo Abadicio, who turned out to have absconded and left for abroad with the knowledge and permission of his superiors. "Even after bishop Labayen had been informed of the official action on the matter, he refused to publicly acknowledge that his charges of military repression were erroneous."

The article further said that such church publications such as the *Signs of the Times*, published by the Association of Major Religious Superiors in the Philippines (AMRSP), which has since been replaced by the *Ichyt*, "have been used to publish highly biased reports against government programs and scurrilous libel against government authorities."

Included in this category are such publications such as the *Ang Bandila* of the Malaybalay prelature of Bukidnon and *The Communicator* of the Federation of Catholic Broadcasters.

4. Use of "conscientization," politicalization, and community organizations programs as fora for airing anti-government views. Such programs," says the article, "tend to dwell on government neglect of the poor...Civic responsibility is seldom heard in dialogues conducted."

The article revealed that in a priests-nuns forum in St. Clements retreat house in Iloilo City in October 1977, the attendees agreed on measures...which included exhortations to "go underground and act on target groups, to conscientize, to blow up issues and to take any case to the parish priest..agitate victim to ask help from parish priest."

5. Taking advantage of religious rites and the sacraments to

dramatize alleged ills of the government and to convince or even at times coerce people into supporting anti-government activities. The article stated that the use of mass-prayer rallies were staged in Negros in the guise of "melodramatic plays dramatizing alleged military abuses."

A parish priest, Fr. Eduardo Flotildes of Mati, said the article, was reported to have told his parishioners that those who will not join the small Christian communities and conscientization programs may not avail of the sacraments and services.

6. Organization of and participation in illegal mass actions. "Church elements have also participated in demonstrations against, among others, the hosting by the Philippines of international conferences of the International Monetary Fund (IMF), the United Nations Conference on Trade and Development (UNCTAD), and the Miss Universe International Pageant, purposely to discredit the government before the international community."

7. Engaging in purely political activities such as campaigning for boycott of referenda and actively supporting political candidates through mobilization of church-sponsored organizations.

8. Giving aid and comfort to known dissidents and insurgents. "It is admitted that doling out of funds and food to the needy is part of the pastoral concerns of the Church. But...such assistance to known dissidents and active sympathy for subversive causes...are clear transgressions of Philippine laws for which such involved church personalities could be proceeded against..."

During the period of martial law, government forces "proceeded against 93 priests, nuns and ministers for various violations of Philippine laws."

Of this number, 67 are Filipinos and 26 are foreigners. "Except for

Fr. Intengan and Fr. Balweg who remain at-large, all were arrested, detained, and/or subjected to deportation proceedings for crimes against national security and public order. One foreign priest was charged with corruption of minors but was given permission by the government to leave the country. All those arrested have been released, 13 of whom are awaiting trial of the charges against them."

And just this month, in the light of murder charges filed against two foreign missionaries, Columban fathers, Brian Gore and Neil O'Brien, Labor Minister Blas F. Ople ordered a review of the prearranged employment status of foreign technicians and employees throughout the Philippines, including some 5,000 foreign missionaries.

He pointed out that foreign missionaries who interfere with trade union activities infringe on the country's sovereignty and this can be ground for deportation. In the case of foreign missionaries engaged in hostile acts against the government, Ople said that this constitutes a ground for immediate termination of prearranged employment visas and of their right to stay in the country.

He said that "we are grateful to the vast majority of these missionaries whose teaching work has made up for our own inadequate investments in the education of our ministries."

But the very few who abuse the terms of their stay by engaging in dubious political activity may detract from the status of the entire foreign missionary force in the country, he added.

BUT the Church, too, holds its own grievances against the government.

Bishop Cirilo Almario, in the last meeting of the Church-Military Liaison Committee of which he is chairman, pointed out to military officials that "there seems to be a campaign to vilify the name of the

Church and to destroy her credibility among the people."

He said, for example, that names and cases are being published when these are still supposed to be under investigation.

He asked: "Why are the religious superiors not immediately informed when members of the clergy have been put under arrest?"

He cited the cases of Fr. Orlando Tizon and Fr. Edgar Kangleon. "Their respective bishops were not informed."

The National Secretariat for Social Action, Justice and Peace or NASSA, an arm of the Catholic Bishops' Conference of the Philippines, has come out with a statement deplored the circumstances surrounding the arrest and detention of Calbayog

[as printed]

ial Action Director Fr. Edgar Kangleon last October 10, 1982. "No warrant of arrest was issued. No original copy of the Presidential Commitment Order (O) was presented. Two Church-Military Liason Committee agreements were violated — that no priest or religious persons be arrested without prior coordination with and in the company of the priest religious superior; and that arrested religious persons be turned over into the custody of their superior. There was a breach in the promise of Chief of Staff Gen. Fabian Ver that no priest and religious in Samar be arrested unless he was actually committing subversive acts. After 18 days in detention, Fr. Kangleon has not been charged."

It continued: "These may also well be the circumstances surrounding the arrest and detention of some 30 other Church workers both lay and religious, Catholic and Protestant arrested since January this year."

"Trial by publicity. Fabricated charges. Temporary denial of the right to counsel. These are the circumstances surrounding Fr.

Kangleon's continued detention. Other Church workers have been submitted to worse fates — torture and even summary execution."

The statement, signed by Archbishop Federico Limon, Bishop Antonio Fortich, Fr. Cesario Sanednn, Fr. Luciano Pili, Fr. Oscar Valles, and Fr. Justino Cabazares, reflect the growing thinking among members of the clergy that the arrests, the detentions, "are...attempts to isolate church workers from the communities they are bound by Christian duty to serve, to distort the Church's mission to proclaim the Gospel of Justice Peace, and Love..."

There were other incidents, according to Church sources, that only aggravated the already widening rift between military forces and members of the clergy.

Some of these incidents are:

- The detention of two Good Shepherd sisters, Zenaida Pineda and Pilar Verzosa, when they returned home from a fact-finding mission on the arrest and the killing of farmers in Kayhang, Lobo, Batangas.

- The arrest of two Laguna pastors: Rev. Jesus Cavida, while he was conducting a young people's fellowship in Paete; and Rev. Harold Lorenzo, while he was leading a bible study in a private house in Pangasinan.

- The unexplained shooting of Fr. Jose Ma. Sucilla, social action director of the archdiocese of Jaro, Iloilo, while he was celebrating Mass on March 5, 1982. The triggerman has not been apprehended despite a warrant of arrest. He is often seen in the company of policemen in drinking sprees at the Lapuz Police Station after the incident.

- Other incidents like "harassments, threats, and raids" on church establishments. To cite two cases:

During a NASSA Convention held at the Sacred Heart Novitiate

from June 28 to July 1, 1982, military soldiers allegedly forced their way in and tried to confiscate copies of all papers used. They refused, however, to show any identification or a mission order.

One night in February, military men in full battle regalia allegedly swooped down on the Pasay City United Methodist Church and searched the parsonage, the Church kindergarten, and the Church premises. The soldiers found nothing.

In the wake of the many arrests and detentions of some of the members of the clergy, church hierarchy officials are naturally upset.

With priests joining rebel ranks and clerics being accused of subversive activities, just how reflective are these of the situation of the Church in the Philippines?

Bishop Antonio Fortich, when he spoke before a gathering of bishops and businessmen at the Makati Sports Club last Nov. 5, answered: "Subversives among the clergy are normally the exception to the rule." What he was trying to say was this: The few subversive members of the clergy do not reflect on the wide majority as a whole.

But he added, in his capacity as a concerned Father, as a concerned Prince of the Church that "they"—and by they he meant the military, "they say that those accused of subversive activities...are results of surveillance."

The good bishop insisted that these accused clerics are "innocent till proven guilty."

The Church-Military Liason Committee, of which Bishop Fortich also serves as the co-chairman, cannot handle all complaints against military abuse, including cases of so-called "subversive priests and nuns." In such cases, said Bishop Fortich, "the Church has to rely on the

competence of the courts and respect the principle of "due process of law."

Due process of law. Inevitably, it will be the courts, the civil courts which will decide on the innocence or guilt of clerics charged with subversion or acts of rebellion against the government.

On a larger scale, there is no war between the Church and the State. There may be serious irritants, yes; but certainly no cause for quarrel.

The bone of contention is this: the Church has grievances against some military soldiers as regards the manner of arrests and detentions made against members of the clergy, perhaps in violation of an agreement between church and military officials.

The government, or the military establishment, is not against criticism from the Church; but government feels that certain members of the clergy are "trespassing" — some clerics are going into political arenas which are beyond their ministerial functions.

"Church authorities should understand that we in the military have no other recourse but to treat those priests and nuns who instigate against the government as ordinary citizens," said an official of the Ministry of National Defense.

A soldier, he said, or a layman would not dream of using the pulpit or putting on a cassock. "We would expect the same from the clergy."

More members of the clergy are convinced that their mission is to work with the poor. "We are not here only to run exclusive schools or manage clinics and hospitals," said a nun who spends most of her hours among the squatters. "We feel that we should go to the poor, instead of the poor coming to us."

Sister Bacaltos, a Good Shepherd religious who works among the deprived in the hinterlands of Davao, said: "More of us want to be with the poor. And our service to the poor is

opening our eyes to many cases of injustice."

Fr. Arguelles, who is executive secretary of the Association of the Major Religious Superiors of the Philippines, explained: "Our mission is not just to save souls; but also to create programs that will redound to the benefit of the whole man, not just his spiritual needs."

"Government officials should not feel offended when they are criticized because they are paid to serve the people," said Bishop Fortich, paraphrasing the words of the Minister of Justice, Ricardo Puno.

The Church also welcomes criticism, said the fiery bishop from Bacolod. But, he clarified, "criticisms should stem from the truth, not rumor-mongering."

"They must remember that as Catholics, they are part of the Church and that means they should be the first ones to welcome criticism," he added, referring to government and military officials.

Since Vatican II, the Church, in keeping with the needs of the times, has emphasized the need for social justice in her apostolate work, Evangelization and justice. Armed with this new zeal to work among the dispossessed and the downtrodden, some members of the clergy, perhaps because of the methods they use, inevitably run afoul with government.

Jaimie Cardinal Sin explained the dilemma faced by priests and nuns who live and work in areas where the New People's Army is active. They, he said, must often act like Red Cross representatives because they must help both government and NPA forces. That, he implied, is the true nature of the calling of the priesthood. "And for this, they are branded as communists, which is unfair. We are bound to help those who are in need."

This desire to alleviate the masses from the shackles of poverty, ignorance, and injustices is laudable — and necessary. The times call for it.

But to go to the extreme? □

take up arms and espouse the violence
overthrow of the government?

THE situation imperatives both sides to sit down and talk - to have a serious dialogue, and to iron out irritants between them.

After all, Church and State are supposed to serve the people. And the people are supposed to reap from the benefits of their service. If there is no true, sincere dialogue, what will happen to the people?

CSO: 4200/185

PDP-LABAN PLEADS FOR HELP AGAINST RADICALS

Cebu City VISAYAN HERALD in English 23 Nov 82 pp 1, 2

[Article by Al Alinsug]

[Text]

The PDP-Laban leadership in the Visayas has expressed fears that if President Marcos will not meet the demands of the political opposition, the radicals in this country who are determined to change the present regime might take over.

This was the view of former Congressman Antonio V. Cuenco and the PDP-Laban group who met last night in Cebu City.

Interviewed by VISAYAN HERALD, Cuenco who is chairman of the group, paraphrased the late American President John Kennedy who said "Those who make peaceful revolution impossible will make violent revolution inevitable."

Cuenco made a strong appeal to the present KBL leadership that the election being the only safety valve by which people can express their will should be guaranteed to be honest and fair.

The PDP-Laban chairman then reiterated the demands of the national opposition party in making the people's will known through:

- *a complete revamp of the COMELEC
- *purging of the voters' list
- *elimination of block voting
- *equal time and space in media

*neutralization of the military

These demands have been aired earlier by opposition stalwarts in the national level as the only alternative to a bloody confrontation.

As Cuenco has emphasized, this is the only way by which the actual sentiments of the people can be determined. Without clean elections, the true will of the citizens can never be respected.

"Or the radicals will take over if these demands can not be met and implemented," Cuenco underscored.

Cuenco's views were shared by Ribomapil Holganza, Secretary-general of the PDP-Laban Visayas who was in the group last night.

Holganza insisted that this is the only peaceful alternative.

"Of what use is our participation in the election if the votes that we get will not be counted?" Holganza asked.

It will all be a waste of time, money and effort, he said. If the demands for a clean and fair election will be ignored by President Marcos.

Holganza appeared to be determined to force the issue as the only way for democracy to survive in this country.

Holganza and Cuenco were of the opinion that this country can not have peace if true reforms aired by the opposition will remain unheeded.

The two Visayas political leaders pointed to the church, the students and the masses of the people as already infected by radicalized thoughts and inclination due to the suffocating moves perpetrated by the regime of President Marcos.

Cuenco and Holganza pointed to the radical priests who have taken up arms already and many of the youths who have gone to the hills and fight the regime.

"This is our prediction," they said, "if the situation will continue."

"The masses can not be oppressed forever. But let us not wait for this tragedy to happen," the two opposition leaders concluded.

CSO: 4200/185

FUNDS PLEDGED FOR HOUSING

Manila BULLETIN TODAY in English 30 Nov 82 p 24

[Text]

A total of ₱5.06 billion has been committed to the government's massive housing program by 21 financing institutions provided they are extended guarantees by the Home Financing Corporation (HFC).

The impact of the guarantee lines is undoubtedly far-reaching. Home developers can now expect a more rapid response to their financing needs for interim or developmental loans.

The guarantee lines call for the accreditation by HFC of banks and other financial institutions to evaluate development projects for housing in accordance with evaluation policies and procedures already approved by HFC.

Once the banks have

done this and have accordingly issued the required warranties, the guarantee of HFC becomes automatic.

Already a unihank, the United Coconut Planters Bank has been accredited to process guarantees amounting to ₱300 million.

The following banks have likewise applied and given approval by HFC: Banco Filipino, ₱500 million; Rizal Commercial Banking Corporation, ₱500 million; FNCB Finance, ₱500 million; Bank of the Philippine Islands, ₱450 million; Family Bank and Trust Company, ₱300 million; Security Bank, ₱300 million; Metropolitan Bank and Trust Company, ₱250 million; Union Bank, ₱250 million; Monte de Piedad, ₱150 million; Phi-

lippine Savings Bank, ₱150 million; Ayala Investment and Development Corporation, ₱100 million; Urban Development Bank, ₱50 million; Asian Savings Bank, ₱40 million; and Maunlad Savings and Loan Association, ₱20 million.

The following have applied and are lined up for approval: Citibank, ₱300 million; Equitable Bank, ₱200 million; Insular Bank of Asia and America, ₱200 million; Traders Royal Bank, ₱200 million; Philippine American Life Insurance, ₱150 million; and Urban Development Bank, ₱50 million.

Developers can choose from any of the accredited banks and go to the bank that is more conveniently located.

CSO: 4200/185

SUGAR PLANTATION UNREST DISCUSSED

HK090151 Manila BUSINESS DAY in English 6 Dec 82 p 2

[Text] The Philippine sugar industry is in a dilemma that if improperly handled could lead to massive social unrest in the Visayas.

After having been sheltered for decades by U.S. preferential quotas in 1974, the industry now faces a bleak world market with one of the lowest productivity levels, second only to that of the Dominican Republic. To survive, it has to swiftly lower its production costs, possible only through extensive mechanization that would displace thousands of sugar workers.

While claiming that mechanization will create a demand for new types of skills, Labor Minister Blas F. Ople told a National Manpower and Youth Council (NMYC) meeting in October: "While mechanization may cause labor displacement ... (it) is inevitable if our sugar must remain competitive in the world market."

A Ministry of Labor and Employment (MOLE) official told BUSINESS DAY the problem of workers' displacement in the sugar industry has recently become a major role concern since with little prospect of workers being absorbed by other industries social problems could worsen due to underemployment and unemployment. A January 1982 MOLE internal memorandum, for instance, noted: "One alternative that planters consider to achieve this is mechanization and this is where some social imbalances shall emerge. From the general view of the sugar industry the imbalances would mean labor dislocations, more underemployment and unemployment."

In a research paper to be published in a forthcoming book by the University of the Philippines third world studies center, Dr. Alfred W. McCoy, a noted sociologist specializing in the sugar industry, even traced several recent incidents of violence in sugar haciendas to the effects of mechanization.

"It is difficult to imagine the social impact of massive labor displacement upon such a dependent plantation labor force," McCoy wrote. "As evidenced by the MOLE's 1977 report, most sugar workers have no private housing, no savings, few nonfarm skills and minimal education. The reaction of such workers to the loss of plantation paternalism is difficult to predict," he commented.

In his paper, McCoy explained that mechanization in sugar districts will continue to spread mainly because of recent breakthroughs in plantation technology made by Australian farm equipment manufacturer named Mick Hodge.

The so-called Hodge method involves passing a set of 17 matched implements over a standard wide-furrow to complete every single aspect of sugar cane cultivation--plowing, harrowing, planting, fertilizing, weeding and cultivation. "This 'no-touch' method," McCoy claimed, "allows each operation to be done with such precision that it achieves a two-fold cost advantage under Philippine conditions--a reduction of labor input by 50 percent, and a substantial increase in sugar production per hectare."

McCoy pointed out statistics that would indicate that this Hodge system apparently is gradually spreading throughout the Negros Plantation. "After several years of slack sales, heavy tractors, required to pull the implements, were again in demand in the sugar districts, particularly those in Negros and Panay," he wrote.

"During the first two months of 1981, 98 out of 232 tractors sold in the Philippines, 42.2 percent of the total, were sold in those islands. By mid-1981 there were some 15-20 machine shops in Bacolod and the major provincial towns fabricating imitation Hodge sets for about 30-40 percent of the cost of the imported originals.

McCoy narrated the effect of mechanization in two plantations in the La Carlota district in Negros Occidental. At the Hacienda Esperanza Najalin owned by Elizalde & Co., the Hodge method reduced labor input in the first year of use by 48.9 percent.

"While management claimed correctly there had been no dismissals of permanent workers," McCoy wrote, "the laborers themselves reported that there had already been a marked drop in demand for casual labor from male temporary casuals, women and children. Of the 858 Hacienda residents and several hundred off-farm casual workers, only 78 were actually permanent workers."

"While there would be no displacement of the small percentage of permanent workers," McCoy continued, "the long-term prospects for the legion of casual workers was not good. One field supervisor stated frankly, "Once the Hacienda is fully mechanized, the workers in this area will have only two choices--steal or starve. So they will steal. There is going to be trouble."

McCoy also claimed that other plantation managers were predicting a 40-60 percent labor displacement in Negros Occidental within three to four years. He pointed out that applied to HDA, Esperanza-Najalin, the work force could be reduced from 322 to 10, and the Hacienda population from 858 to 50. He quoted one administrator of a fully mechanized farm in the La Carlota District as saying that the Hodge method has the capacity to displace about 90 percent of all labor on the major Hacienda and that most planters will not hesitate to dismiss all redundant workers.

the researcher pointed out that some Haciendas turning to mechanization have recognized the impact of labor displacement and are trying to cope with it to avoid social problems that may disrupt Hacienda operations.

For example, according to McCoy, Hacienda Carmenchica, owned by Philippine Sugar Commission Chairman Roberto S. Benedicto, in 1977 shifted to 100 percent mechanization. Although this could have displaced 80-90 percent of the farm's work force, 50 of the Hacienda's 420 hectares were shifted to rice cultivation to absorb the redundant workers. In explaining this decision, McCoy quoted Hacienda administrator Florencio Alonso as saying: "We feel we have to solve this problem of labor displacement since it produces social unrest. Mechanization requires close supervision, and if there is social unrest then supervisors cannot stay on the farm.... Of course, labor will eventually be displaced. But we have to do it gradually over the space of 10 years. During that period we will educate the children and get them off the farm so we are left with only the old people."

An opposite strategy of dealing with displaced workers, according to McCoy occurred in another Hacienda near the La Carlota District. When workers' benefits were reduced as the Hacienda was starting to mechanize and union efforts to get back the benefits failed, fires in the Haciendas' sugar cane district occurred. The plantation manager, McCoy noted, was later on murdered by a young sugar worker who could not be accommodated by the Hacienda as a driver for a Hodge-method tractor.

CSO: 4200/202

MINISTER ON OIL PRICES INCREASE

HK081341 Manila TIMES JOURNAL in English 8 Dec 82 p 1

[Article by Geronimo Velasco, minister of energy]

[Text] Unknown to many of our people the import cost of crude oil, from which are derived gasoline, diesel and other petroleum products, has increased effectively by about 10 percent, primarily because of the erosion of the value of the peso and other currencies in relation to the dollar. Yet, notwithstanding this development, which started as early as March of last year, the domestic prices of gasoline, diesel and other petroleum products have not correspondingly increased.

The reason for this is that we in government, if we can help it, would like to stop--or at least delay for as long as possible--any upward movement of prime commodity prices. This is also true of petroleum products.

Keeping prices low is always the more politically popular option, as common sense dictates. Unfortunately, taking the easy path is not always the best way to go. Government must be able to take decisions that may be unpopular in the short term but beneficial in the long run. Mustering the political will for hard decisions has never been easy. The complexities of our times make it even more difficult today.

Classic concepts and theories, for example, are no longer able to account for certain things taking place in the world economic system. Experts are unable to explain double-digit inflation occurring at a time of deep recession. Nor can they explain with full satisfaction why strong economies such as Japan and West Germany for instance, should be facing currency fluctuations that were more commonly associated as the Brazilian cruzeiro or the Argentine peso.

Thus we fully appreciate the concern of Filipino consumers over reports that diesel fuel prices are going to be raised when all along, newspapers are reporting an oil glut, and "spot" market prices are falling.

In the same view, people ask: Why is the so-called consumer price equalization fund supposedly being depleted, when OPEC (the Organization of Oil Exporting Countries) has not increased prices for over a year? On the contrary, are not some OPEC countries supposed to be undercutting each other and announcing lower official prices?

Undoubtedly, we need to explain a number of issues to the people--as well as a number of operating conditions basic to petroleum industry and the financial sector but not to most of us.

Let's start with the oil glut and how it has affected prices. Basic economics tells us that when there is a glut or a surplus of any commodity--including oil--prices should go down. This is dictated by the classic law of supply and demand. However, since the 1973 oil crisis, OPEC has been able largely to control its oil production in order to maintain what its members regard as a just return for a swindling natural resource.

On the other hand, the world-wide recession of the past two years has slowed down the growth of and, in some instances, actually lessened overall demand for petroleum, thus weakening international oil prices. Thus, the price of crude imported into the Philippines has gone down by \$1.80 for every barrel from the level in March, 1981, when domestic prices were last set. The price of our crude imports today is \$32.74 per barrel compared to \$34.54 per barrel in March 1981. Unfortunately, this decrease in the dollar cost of our crude imports has been more than wiped out by the decrease in the purchasing value of the peso in relation to the dollar.

The reason is that our oil imports are denominated in U.S. dollars. Every time the exchange rate tilts in favor of the dollar, oil companies need more pesos to buy the same amount of oil at the same prices.

CSO: 4200/202

PHILIPPINES

BRIEFS

REBEL PRIEST--Rebel priest Conrado Balweg is now top communist party leader in northern Luzon. At the same time, the Communist Party and the New People's Army (NPA) have launched intensified efforts to reinvigorate the dissident force in the north. These were disclosed by armed forces chief of staff General Fabian Ver in a press conference yesterday in Echague, Isabela, after a briefing by northern command chief Brig. Gen (Romeo Gatan). General Ver flew to Echague to accept the surrender of some 350 NPA rebels and their sympathizers. The occasion was also the first anniversary of the northern command. [Text] [HK020055 Manila Far East Broadcasting Company in English 2330 GMT 1 Dec 82]

FREE ENTERPRISE POLICY--In a meeting with businessmen yesterday, the president assured that there will be no changes in the free enterprise policy. He made the same assurance in a meeting with American businessmen during his state visit to the United States recently. According to the president, even succeeding administrations will not deviate from the policy of free enterprise because it is deeply rooted in the culture of the Filipino people. In his meeting with businessmen, the president called on business leaders to help the government prevent the effects of worldwide recession. The president, who spoke at a dinner in Puerta Azul Country Club in Ternate, Cavite, told the business leaders they could help the government more if they would reduce their importation of luxury items. At the same time, the president assured private business that the austerity measures adopted by the government will not hinder their operations. The president stressed that the budget of the KKK [Kilusang Kabuhayan at Kaunlaran--National Livelihood Program] and the other major industrial projects will remain. [Text] [HK040036 Manila Far East Broadcasting Company in English 2330 GMT 3 Dec 82]

FOREIGN-ASSISTED PROJECT--President Marcos yesterday instituted another belt-tightening measure when he ordered the suspension of all negotiations for foreign-assisted projects to reduce the worsening government deficit. The president issued a directive to Public Works and Highways Minister Jesus Hipolito to "freeze negotiations" on all foreign-assisted projects "except those which have been in progress for at least six months to one year." The president also ordered Hipolito to make use of the foreign exchange portions of the unnegotiated projects and save the local counterparts. Under normal arrangements, in all foreign-assisted projects, the Philippine Government usually puts up a local counterpart fund. According to Hipolito, 54 percent of the government's [word indistinct] program is foreign-assisted and some have been [word indistinct] to be completed by the end of the year. [Text] [HK040210 Manila BUSINESS DAY in English 3 Dec 82 p 3]

COUNTERING SUBVERSION--Philippine Army Chief Maj. Gen. Josephus Ramas has called upon the military to promote good relationships with civilians in order to counter the threat of subversive elements. Ramas made the call during [words indistinct] military operations seminar workshop in Zamboanga City. He named five subversive groups which are plotting to overthrow the government. He said these radical groups include the traditional communists, the secessionists, the disgruntled group composed of politicians and writers like Manglapus and Aquino, religious radicals, and the organized mafia-like syndicates. Ramas said there is evidence these groups have joined forces to fight as a united front to topple the government by means of intrigues and plotting. He urged the officers and men of the armed forces of the Philippines who are engaged in civil-military operations to come up with programs to win the minds and hearts of the people and bring the government to them. [Text] [HK040428 Manila Domestic Service in English 0400 GMT 4 Dec 82]

POLICE PROBLEMS--The alleged issuance of high-powered firearms to some local officials in well-to-do families by the PC [Philippine Constabulary] command in certain provinces may adversely affect the military-civilian relations program of the armed forces of the Philippines. This assessment was revealed yesterday by a foreign military expert who had just concluded his survey of the peace and order situation in the country. He also said that some PC soldiers in oriental Mindoro, Masbate, Panay Region, Palawan, Northern Luzon areas, eastern Visayas and Mindanao areas were fond of drinking liquor in restaurants and disco houses. In response to these developments, the armed forces provost-marshall and the military police brigade under Col (Peter Balbalero) have deployed some of their men in said areas to avoid military and police abuses. [Text] [HK050057 Manila Far East Broadcasting Company in English 2330 GMT 6 Dec 82]

LOG SMUGGLERS--At the PC-INP [Philippine Constabulary-Integrated National Policy] conference in Davao City, PC Chief Lt. Gen. Fidel Ramos said Philippine Air Force planes will be used against ships smuggling logs out of the country. He said the air force planes have orders not to hesitate to fire on such vessels. The general said the drastic action has to be restored because log smuggling and other economic crimes are more pernicious and destructive to the country than [words indistinct] violations of the law. In another move, the PC chief ordered PC regional commanders to authorize PC chaplains in countering the activities of radical and rebel priests. He directed the regional commands to consult with the chief of chaplains on the matter. In issuing the order, General Ramos said the chaplains should not only attend to the spiritual needs of militarymen and their families in the camps, but should also have a dialogue with people outside military camps and fellow priests, to promote mutual understanding and cooperation. [Text] [HK060029 Manila Far East Broadcasting Company in English 2330 GMT 5 Dec 82]

JOINT RURAL DEVELOPMENT--President Marcos issued executive order No 852 yesterday ordering civilian agencies to coordinate development efforts in rural areas with the military to achieve the best effect. He stressed the need for peace and order which is essential for effective execution of development programs in the countryside. At the same time, he said, effective delivery of services,

administration of justice and availability of jobs would bring about more stable conditions. Calling for coordination on the national and regional levels, he said that security is not the exclusive concern of civilian agencies. The National Security Council headed by the president with Prime Minister Cesar Virata as vice chairman, would do the coordination on the national level. Under this council are the regional development councils with the regional commander of the Philippine constabulary and the regional director of the Human Settlements Ministry among the members. The president said the council will monitor development programs in a specific area with respect to their security implications. It will also identify the appropriate agencies, types of programs and projects and the areas where these are needed most for consideration in the planning and implementation process. It will provide guidelines to the regional development council on security implications of such projects and programs. [Text] [HKD60300 Manila BULLETIN TODAY in English 5 Dec 82 p 12]

FOREIGN INVESTORS--President Ferdinand Marcos said the Philippines is stepping up efforts to attract foreign investors. He told newsmen yesterday that the government will consider granting permanent resident status and even citizenship to such investors. The president said alien investors in the country may even be allowed to buy shares in real estate companies. Earlier the president issued presidential decree No 1351, which provides for resident visas for aliens investing at least \$200,000 in the country. The visas are in force as long as the foreign investors keep their investments in the Philippines. The targets of the liberalized investment policy are mainly businessmen in Hong Kong who were reported poised to withdraw from the colony in anticipation of the Chinese take-over from Britain in 1997. [Text] [HK070041 Manila Far East Broadcasting Company in English 2330 GMT 6 Dec 82]

WESTERN MINDANAO MEMBERSHIP--Zamboanga City, 5 Dec--The United Nationalist Democratic Organization [UNIDO] reported yesterday around 90,000 people in Western Mindanao signified their intention to join UNIDO. A UNIDO statement said thousands of people from Sulu, Basilan, Zamboanga del Sur, and Zamboanga del Norte converged here and sought audience with former senator Salvador H. Laurel, UNIDO president, to ask for identification cards [ID's] signifying their membership with the opposition group. Laurel told them their ID's would be given in due time through UNIDO provincial, city and municipal chairmen all over the country. Opposition leaders led by Laurel and city mayor Cesar C. Climaco, president of the UNIDO-affiliated concerned citizens aggrupation, as well as representatives of theyouth, labor, women, farmers and religious sectors urged the people to repudiate the incumbent administration for allegedly betraying their confidence. Laurel said that if President Marcos denies UNIDO's demand for clean election, the opposition will "have no choice but to boycott again, or participate but be prepared to protect the sanctity of the ballot with their lives." [Text] [HK070128 Manila BULLETIN TODAY in English 6 Dec 82 p 40]

RETIRABLE GENERALS--There will be no extension of the services of retirable generals. President Marcos said that only those whose services are vital and who cannot be immediately replaced will be retained. The president said that there is not much leeway anymore for extending the services of retirable generals. The government is going to be strict about the principle that only those whose services cannot immediately be replaced will be retained. At the same time, the president announced that he has ordered a recall of military officers who are actively occupying civilian posts. However, the president said,

this does not necessarily mean that officers in active military service may no longer perform certain civilian functions. In an interview, the President also said it has been his policy to encourage officers who have been retired to acquire talent and expertise in other professions. Five generals in the armed forces are scheduled to be retired this month after their extended tour of duties expires. They are Brig. Gen. Romeo Gatan, northern command chief; Brig. Gen. (Ramon Cruz) [words indistinct]; Brig. Gen. (Sesto Buenc), Philippine Army; Commodore (Gil Fernandez), Western Command, and Commodore (Gonzagas) of the Navy. Among the generals holding civilian positions are Brig. Gen. Ramon Farolan of the Philippine Air Force, who is security customs commissioner; Brig. Gen. (Cesar Kelpon), president and general manager of [words indistinct] Gold Mining Company, and the chief of the National Development Company. There are 64 generals in the armed forces, including the commanding generals of the 4 major services. Of the retirables, only General Fabian Ver, armed forces chief of staff, and Lt. Gen. Fidel Ramos, vice chief of staff, were given an indefinite extension of their tour of duty. [Text] [HK100438 Baguio Mountain Province Broadcasting Corporation in English 0400 GMT 10 Dec 82]

LAW OF SEA VICTORY--The Philippines scored a victory of sorts in the newly-approved international Law of the Sea Treaty, which incorporated the archipelago doctrine providing for the jurisdiction of island nations over their sealanes and seabed resources. Under the treaty, the Philippines and other small island nations can refuse passage to foreign warships on their sealanes when they believe these vessels threaten their sovereignty, territorial integrity and political freedom. Island nations are also given exclusive jurisdiction over an extensive economic zone in the adjacent seas and of rich marine and mineral resources under the seabed. The Philippines had strongly advocated for the archipelagic doctrine since the negotiations for the Law of the Sea Convention started several years ago. Under the aegis of the United Nations, the treaty will be officially signed by 130 nations in Jamaica tomorrow. Assemblyman Arturo Tolentino, member of the Philippine delegation to the UN General Assembly, will sign the agreement for the Philippines. [Text] [HK090418 Manila Domestic Service in English 0400 GMT 9 Dec 82]

FIREARMS ISSUANCE ORDER--Another warning against indiscriminate issuance of guns. This is from Army Chief Maj Gen Josephus Ramas. In a strongly worded order, General Ramas said commanders issuing firearms will be held responsible for the acts committed by the men to whom the guns were given. The army chief stressed that guns should be issued only in connection with national security interests. Earlier, there were reports on alleged laxity on the part of some army commanders in issuing weapons. These reports were aggravated by increasing incidents of soldiers getting into problems and using their guns. [Text] [DW072255 Quezon City RPN Television Network in English 1100 GMT 7 Dec 82]

CSO: 4200/202

GOVERNMENT ATTITUDE TOWARD PRESS VIATED

BK2-1603 Singapore STRAITS TIMES in English 23 Nov 82 p 16

[Editorial: "Let the Debate Begin"]

[Text] In a speech last Friday, the minister of state (culture), Major Fong Sip Chee, raised a number of interesting questions about the role of the press in Singapore and called for a public debate on the issue. As Singapore's leading newspaper, we welcome his call. We believe we can best respond by restating from the outset how we see our role. We do not, as he suggested, claim to represent the public. No newspaper in the world, whatever its pretensions, would seriously dare arrogate to itself this mandate which only an elected government can claim.

We are, among other things, a channel of communication between the government and the public. The government uses us as a medium for conveying information to the public, while the public (or at least some of them) use us to convey their views to the government. We have no way of knowing if the views expressed by individuals to our reporters or in letters to our forum page are, as Major Fong put it, "truly representative," probably not, since it is usually only people who feel strongly about a matter and are fairly articulate who would speak up or write.

Nonetheless, we feel (and our view is shared by the minister for culture and foreign affairs, Mr S. Dhanabalan) that such feedback is important. It allows individuals the opportunity to get things off their chest and enables the government to know how some members of the public feel about various matters. And this is why we allow forum writers to use pseudonyms. We agree with Major Fong that our readers ought to have the courage to write under their own names. At the same time, we also recognise that many people, for various reasons, think it more prudent not to do so. The question, to our mind, is what is more important--the content of the letter or the name the writer chooses to use? We believe it is the former.

In selecting letters for publication, as with stories, the questions we ask are: Are they in the public interest and will they add to the public good? Do they further our objective of informing, educating (and to some degree, entertaining) our readers? For like government officials and ministers (and many other

Singaporeans) we in the press too are working for the national interest. We make mistakes sometimes. Occasionally, we also disagree with government on various matters. But this is inevitable unless the press becomes another agency of government.

We do not believe that Major Fong or anyone else in government wants a servile press. We believe the government wants lively newspapers which reflect, no matter how imperfectly, the thinking of Singaporeans and play their proper role in national affairs. To achieve this, ministers and officials must have sufficient trust in the loyalty and good judgment of the people who run the papers.

CSO: 4200/204

OPPOSITION REACTION BEGINS

Colombo THE ISLAND in English 28 Nov 82 p 6

[Island Politics column by Arjuna]

[Text]

The Opposition fired its first shots against the extension of the life of Parliament and the irony of its campaign was all in the pictures which "The Island" carried. The whole mood of the Opposition was captured in the photograph which showed the two Presidential candidates Messrs. Hector Kobbekaduwa and Dr. Colvin R. de Silva in earnest conversation while a wholly detached Mr. Pieter Keuneman (armed with an umbrella, no doubt in view of the coming political rough weather) was keeping off Mr. Anil Moonesinghe from the LSSP leader.

The differences within the opposition sharply erupted when a section of the crowd began heckling the LSSP leader who had been the chief target of the SLFP and the CP during the Presidential campaign on account of his celebrated 'law point'. It was Colvin's turn to be heckled taking the minds of political observers back to May 1 this year when Anil Moonesinghe, having captured the LSSP in his own grandiloquent words, was at the receiving end of boozing when he began speaking from the same platform as Mrs. Sirima Bandaranaike and Dr. Colvin R. de Silva at the joint opposition May day meeting.

The UNP meanwhile went ahead with its campaign with meetings in Kandy, Hatton and Jaffna. The President went to Jaffna again, this time quite early in the campaign, in spite of the feelings that has been generated following the detention of several

Roman Catholic priests on suspicion of complicity in the terrorist movement.

Naxalites

But the campaign on either side has still to really take off the ground. It appears as if the people, who had already been at the receiving end of a propaganda assault only a month ago, have still to attune themselves to this new campaign.

The Government meanwhile continued to plug the Naxalite theme with relish last week. In two detailed statements the Prime Minister concentrated on what had allegedly been planned during two Octobers — 1980 and 1982 by a section of the SLFP to protest against Mrs. Bandaranaike's deprivation of civic rights and to celebrate Mr. Hector Kobbekaduwa's victory respectively. It was obviously another prong in the UNP's attempt to establish that the SLFP had been captured by a section which has been variously called "Naxalites" and "political hooligans". Kalawana MP Sarath Muttettuwegama, who was reminded of Franz Kafka by the Prime Minister's recital of the violence which had allegedly been planned, described it as "a fantasy arranged for the Referendum".

Division

The Opposition is quite aware of the odds that they will have to contend with at the coming campaign. Not least of the problems is the internal divisions with which the Opposition parties are afflicted. This is compounded

by the difficulties produced by the circumstances in which the present campaign has to be fought. Several key Opposition figures are in custody while the sealing of the "Aththa", which bore the brunt of the SLFP Presidential campaign propaganda, has been a mortal blow to the Opposition. There is a move to bring out the CP's official party journal "Mawbima" out as a daily to fill the void while already a weekly titled "Vama" is being published.

An interesting footnote is that the "Vama" was brought out first by party radicals when the CP split in 1972 over the Criminal Justice Commission Bill.

It was also left to the CP trade union stalwart L. W. Panditha to meet Elections Commissioner Chandrananda de Silva and protest against the display of posters and the "lamp" symbol in public places in contravention of Election laws.

Mr. Muttettuwegama told Parliament on Friday that the Commissioner had reportedly not made any comment on these statements but the same day the IGP had drawn the attention of local government authorities and leaders of political parties to the Election Law.

But even worse for the opposition than the circumstances of the contest are its internal divisions.

Confronted by their own problems the SLFP radicals seem to be temporarily silent leaving the control of the party in Mrs. Bandaranaike's hands. Mr Anura Bandaranaike, who has returned from Spain, meanwhile continues to be silent. He did not attend Parliament on Friday when the extension of the emergency was debated but has issued a statement that some prominent supporters of his had crossed over to the UNP in his absence. Among them are Basil Rajapakse a protege of Anura, who got the prestigious post of Secretary when the Maithri-Anura group broke away from the SLFP, former Fisheries Corporation Chairman Dixon Silva, another close Anura associate and trade unionist Lal Perera. It is a well known fact that Anura has been openly critical of the radical wing of the SLFP but it is left to be seen whether he will

actively campaign at the Referendum now that his mother will be leading the campaign.

Anura's name had been mentioned sometime ago in political circles in the context of a National Government and the young Bandaranaike himself had left the question open-ended by saying that he would consider the question only if such an offer is made. But there appears to be a school of thought within the UNP which feels that Anura would perform a more useful function by remaining in the SLFP to give the SLFP moderates leadership. This has to be taken in conjunction with Mrs. Bandaranaike's statement rejecting a National Government.

Mrs. Bandaranaike like President Jayewardene will campaign at the Referendum on a district level but she will address special meetings in the areas of key SLFP figures who have joined the UNP. The other parties which will appear on the platform with the SLFP are the Sri Lanka LSSP, the MEP and the CP.

The LSSP has taken up the position that it will campaign separately but will appear on a common platform on invitation as it did Hyde Park on Tuesday. This ambiguous position of the LSSP appears to show that it is still not certain of what its relationship with the SLFP should be in the aftermath of the Presidential Election.

Silence

The JVP meanwhile continues its stoic silence. Its only contribution to recent political analysis is a refinement of the Naxalite theory. The JVP's official organ "Niyamuwa" said recently that the "Naxalite" group within the SLFP had amassed weapons to destroy the JVP in the event of Mr. Kobbekaduwa coming into power on October 21.

So the political scene continues to be confused. Hamstrung by practical difficulties and confronted by a hostile set of circumstances the opposition will have to dramatise its campaign and capture the people's imagination if they are to make any kind of impact at the Referendum.

TULF REVERSAL ON EMERGENCY

Colombo THE ISLAND in English 27 Nov 82 p 2

[Text]

The leader of the opposition Mr. A. Amirthalingam, speaking in the debate on the resolution under the public security act, moved in parliament yesterday, to extend the emergency said that where the Emergency was originally declared last month all parties had ratified it in Parliament.

But the TULF was now opposing the extension of the emergency.

In the context of the Referendum no free expression of opinion could take place under conditions of emergency. The emergency should be removed before the Referendum. The Government had tied the opposition, hand and foot, and was inviting it to fight. The election laws were being freely violated by the Government. The law was turning a blind eye to all this but if the opposition dared to even put up a poster they were clapped in jail. The TULF was vehemently opposed to this gross discrimination.

The TULF was opposed to the acts of violence which had taken place in the north. But an emergency was not necessary to curtail them. The draconian anti-terrorist law was enough for this. To argue that an emergency was necessary for this was spurious.

The traitor created out of the Roman Catholic priests had hurt the feelings of all Catholics.

Anybody who violated the law should be punished. The Bishop of Jaffna had told the military that if any priests were to be questioned he would produce them. But the military had instead raided the Preachers' House. The Catholics of the area were terribly hurt by this action of the armed forces, he said.

Anyone who was charged with a crime should be produced in court and also given chance to defend himself.

The press publicity given to these arrests by the armed forces was unfair, Mr. Amirthalingam said.

Even the Archbishop the Rt Rev Marcus Fernando, in his statement issued on behalf of the church, had reiterated that the accused should be presumed innocent unless proved guilty in Court.

Mr. Amirthalingam also condemned the sealing of newspapers. He said that no paper should be closed down whether it attacked the government or the opposition.

If any newspaper violated the law the publishers should be taken to courts. But it would be undemocratic to close down newspaper.

The rights of the people were being trampled under the emergency and therefore his party would condemn

001: -2/10/196

RE: TO FORM TWO NEW SPECIAL WARFARE UNITS

Bangkok THE NATION REVIEW in English 1 Nov 82 p 6

[Text]

THE Army Directorate of Operations has been instructed to work out the formation of a special warfare commanding post and a new special warfare division which will serve as a task force to deal with invasion from outside, a highly authoritative source said.

The source told *The Nation* that the two new units will be especially entrusted with the responsibility of fighting invading force, particularly from the Kampuchean border.

The Directorate of Operations and other related army agencies had also been instructed to develop reserve forces to ensure that they could react against a possible aggression within 72 hours of emergency, he said.

The third phase of the major defence plan for the 1983 fiscal year calls for the reinforcement of the army forces nationwide which have not been fully staffed according to the source.

The major plan for the 1983 fiscal year was geared towards the urgent improvement of the defence forces guarding the Thai-Kampuchean frontier following indications of possible Vietnamese dry-season offensive against Khmer resistance forces, the source said.

"The field forces under the First and Second Army regions have been instructed to be on alert for the consequences from a dry-season offensive. The issue has received special attention from us," he said.

He said the intelligence gathering units in the fields had been specially instructed to step up the monitoring of the movements of the enemies to ensure that the army could be alerted in time.

The Second Army Region would pay special attention to the security in Kanchanaburi District of Surin Province following indications that

the Vietnamese-backed Heng Samrin forces were making preparations to launch a military attack against the Khmer resistance forces opposite the border district, he said.

The source also quoted Army Commander-in-Chief Gen Arthit Kamlang-ek as instructing a meeting of army officers last month to attach top priorities to the security within the country and the boosting of the defence forces to cope with a possible aggression from outside.

CSO: 4200/170

MOST BANGKOK WORKERS GET LESS THAN MINIMUM WAGE

Bangkok THE NATION REVIEW in English 1 Nov 82 p 6

[Text]

THE majority of the unskilled and semi-skilled workers in Bangkok are still being denied the minimum wage a month after it was implemented, according to a survey conducted recently by *The Nation*.

The basic wage for unskilled workers in Bangkok is 64 baht a day but most of the workers interviewed receive only between 50-60 baht. Female and child workers reported even lower daily wage of only 30-50 baht.

Most of these workers were found at construction sites and they told *The Nation* that they had made no attempts to bargain with their employers for the basic wage.

"We have to accept what we are offered because we have no other choice," said a woman worker working on a construction site on Phetchaburi Road.

She said the normal daily wage she and her colleagues receive was 45 baht.

Workers in several textile factories in suburban Bangkok are also getting below the basic wage.

Most of the independent unskilled workers admitted that they knew very little of the role of labour leaders who have been fighting for higher basic wage. They said they did not know that the labour leaders had lobbied for minimum wages on their behalf.

Pricha Srimisap, president of the Steel and Metal Labour Union, said most of the workers normally tended to settle for whatever rate of wage their employers agreed to pay.

"It is a matter of mutual survival," he said.

Workers in a textile factory in Samrong said they receive only 45 baht a day while their skilled colleagues get 60 baht. Another small weaving factory in Soi King Petch off Phetchaburi Road was found to be paying an average of 700 baht a

month to their workers who have to work from 8.00 am to 7.00 pm with one holiday a week.

The owner of an auto spareparts factory in Vorachak admitted that he had not complied with the minimum wage announced on October 1. He claimed that he had made an agreement with his workers for wages commensurate to their workload.

"We may be paying them less than the basic wage but we offer them free lodging and other work welfare," he said.

President of the Thai Trade Unions Congress (TTUC) Paisal Thawatchainan said the congress will urge the government to make sure that employers strictly comply with the basic wage.

Basic wage

The Interior Ministry implemented three new rates of basic wage on October 1.

The basic wage for Bangkok and eight surrounding provinces is 64 baht while those in the rest of the country are 61 and 52 baht.

OIL, GAS PRODUCTION ANALYZED

Bangkok THE NATION REVIEW in English 2 Nov 82 p 5

[Text] Union Oil Co has just made a new presentation of its proposed solutions to correct the Erawan field's shortfall problem to the Thai government as Texas Pacific's Chief Executive R. M. Brackbill is due to fly in from Texas this week to hold talks with Premier Prem Tinsulanonda and other senior officials on the lingering problems over the government's policy of LNG export.

Here is a comprehensive background to Thailand's natural gas and oil exploration activities and their impact on the Thai economy published in the latest Monthly Review of the Bangkok Bank.

THE bicentennial of Thailand's capital and its reigning Chakkri dynasty this year finds this country on the threshold of a new and exciting era. Substantial deposits of natural gas in the Gulf of Thailand, oil deposits in the North and both oil and natural gas in the Northeast, are expected to propel the nation into a new period of fast growth. Prime Minister Gen. Prem Tinsulanonda has even gone so far as to promise the nation that the natural gas development project would "... give rise to a new era of hope and glory."

The Prime Minister also revealed a plan to lure local and foreign investment in industrial projects, including a natural gas processing complex, an ethylene cracking plant, fertilizer and petrochemical complexes, a soda ash plant, and other vital projects. Investment in these projects is estimated to total Baht 100 billion.

NATURAL GAS BONANZA

THE above-mentioned projects are highly ambitious, requiring a huge amount of hydrocarbon feedstock as well as extensive and complex financing. The Petroleum Authority of Thailand (PTT) has confirmed that the natural gas reserves in the Gulf - at the current stage of exploration - will very likely be sufficient for various uses planned by the authorities for roughly half a century, and the government has been seeking funds to finance the construction of infrastructure and such basic industries as the gas separation plant which will lead to the development of other gas-based industries. It appears that thus far this particular effort on the part of the authorities has been successful. Moreover, it is anticipated that the State's revenue in the form of taxes and royalties on sales and profits of natural gas and oil will keep

on growing as more of the hydrocarbon is extracted and sold. It will be possible in the near future to plough back a part of this revenue into a number of up and downstream projects. Meanwhile, feasibility studies have shown that most if not all projects envisioned by the natural gas development programme are capable of paying for themselves and will in consequence represent attractive propositions when tabled to funding institutions. Given the situation as briefly outlined, it is generally felt here that investment funds despite their gargantuan total - will most probably not be beyond the ability of Thailand to mobilize.

THE GULF'S NATURAL GAS RESERVES

THE Department of Mineral Resources (DMR) reported that as of July 1, 1982 a total of 96 wells

had been drilled in the Gulf of Thailand and natural gas and natural gas condensate had been discovered in 53 of them, crude oil in 2 and crude oil and natural gas in another 2.

However, the crude oil deposits are not commercially exploitable, while the amount of natural gas in plots contracted to two concessionaires, Union Oil and Texas Pacific, has been found to be substantial. Proven and probable reserves of natural gas in the Gulf of Thailand have been estimated at 16.1 trillion cubic feet. This figure however does not include Union Oil's four wells (Pla Daeng Nua, Funan, Traad and Pakarang) where the extent of reserves remains to be measured. (For more details cf. table 1)

Due to a production shortfall of roughly 50 per cent at its Erawan field's platforms, Union Oil is now claiming that the proven reserves in this field amount to only 0.5 trillion cubic feet, roughly a third of the original estimated figure of 1.58 trillion cubic feet. Nevertheless, both PTT and the Ministry of Industry are strongly refuting Union Oil's claim, saying that the original estimates were made by Union Oil itself in cooperation with DeGolyer and MacNaughton which is an internationally reputable firm. The general consensus among people in the know appears to be that the raising of the reserves question by Union Oil at this particular moment when global prices of petroleum products are hitting the skids is but a ploy on the part of the oil company to delay its expensive development programme and to escape a fine for failing to supply PTT the contracted volume of natural gas. Furthermore, the smaller and more scattered the reserves the more investment will be required on the part of the oil company to raise gas production to the levels stipulated in the contract. At the time of writing the controversy is still raging and it will probably be some time before the matter is settled.

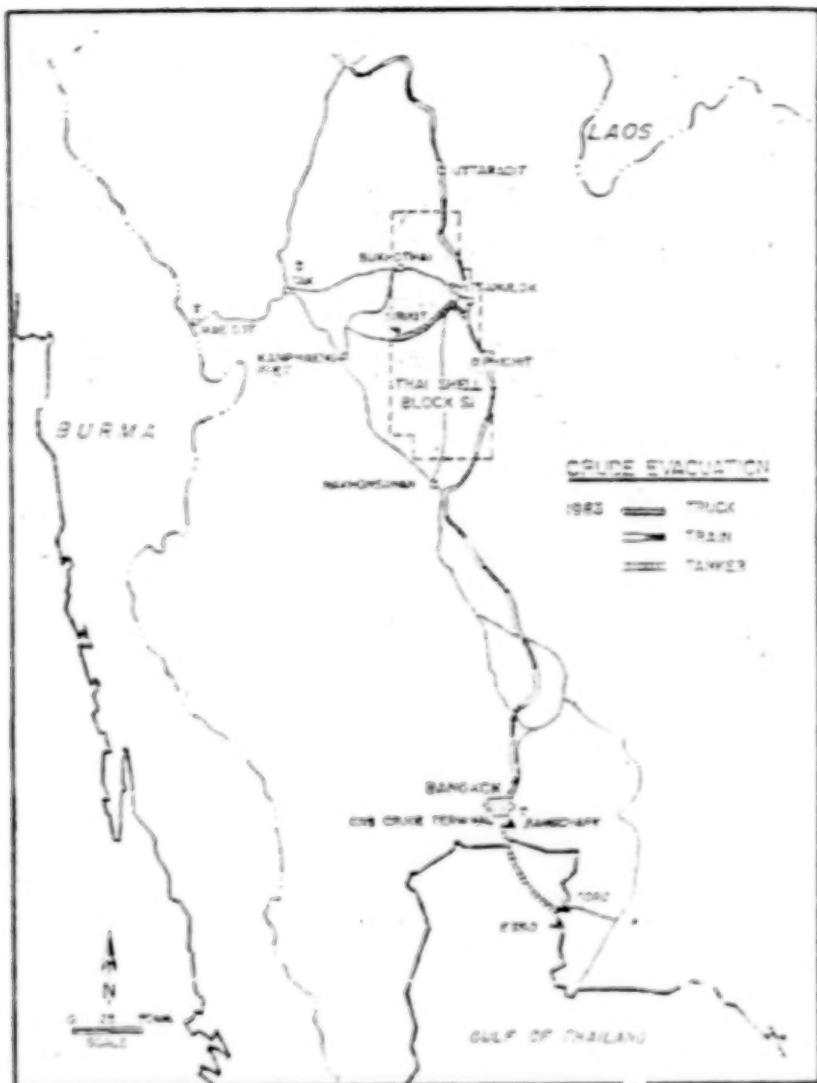
Within the long-term context, sources within the country are in agreement that the current gas shortfall will not affect development plans. This is principally be-

cause the natural gas in the Erawan structure is but one of the more than half a dozen substantial deposits already discovered. Speaking during a discussion session of the Eastern Seaboard Conference held in early August at Pattaya resort, PTT's Deputy Governor Pratin Pathanaporn stated, "I fully believe that there is enough natural gas in Thailand. This shortfall is the result of a technical problem which will only affect the Eastern Seaboard's short-term plans, leaving their long-term counterparts unaffected." Agreeing with Mr. Pratin, National Economic and Social Development Board (NESDB) Secretary General and the Central Bank's former Governor, Dr. Snob Unakul, said there would only be some rescheduling in the plans for heavy industrial projects. While such projects as the gas separation plant will according to Dr. Snob definitely be implemented within the current Five-Year Plan (1982 - 1986), other projects, probably including the fertilizer complex, may not be realized before the end of 1986, the final year of the Plan.

INLAND EXPLORATION ACTIVITIES

AT present five foreign oil companies are conducting onshore hydrocarbon explorations, one in the North and four in the Northeast. Two of these, namely Thai Shell Exploration and Production Co., Ltd. and Esso Exploration and Production Korat Inc., have reached the drilling stage and both have reported striking petroleum deposits in their first attempts.

In the case of Thai Shell, which holds concessions covering an area of 20,000 square kilometres from Sukhothai Province to Angthong Province, test results obtained earlier this year indicated that the crude from its Larn Krabue-1 well in Kamphaengphet would flow at an initial rate of 5,000 barrels per day (bpd) and natural gas at a rate of between 6 and 7 million cubic feet per day (MMscfd) beginning on January 1, 1983. Production would gradually be increased to 20,000 bpd of crude and 30 MMscfd of natural gas by the end of 1984. However, Thai Shell recently claimed that data obtained later showed that the Larn Krabue structure



comprises many faults, posing considerable difficulty in the extraction stage. In consequence, the estimates on crude output made available earlier may have to be scaled down somewhat.

Meanwhile, Esso Exploration and Production Korat Inc. has a concession to explore for oil and gas covering an area of 50,000 square kilometres in eight provinces in the Northeast. The Company's exploratory drillings carried out in the Nam Phong area in Khonkaen Province late last year and early this year showed natural gas flowing at a rate of 16.8 MMscfd, 9.7 MMscfd and 27.57 MMscfd at depths of 9,594 - 10,253 feet, 10,775 - 10,800 feet and 10,220 - 10,254 feet respectively. These

statistics indicate a high probability of commercially feasible deposits of natural gas at Nam Phong. In February, Esso moved its drilling rig to Chonabot, roughly 100 kilometres south of Nam Phong, and spudded another well. The Company reported in July that test results at Chonabot were very encouraging giving hope of even larger deposits of natural gas than those at Nam Phong.

A WATERSHED YEAR

Encouraged by the various finds as outlined above, the government is counting heavily on the development of natural gas to spearhead its fuel strategy for the 1980s right up

to the beginning of the next century. Of course, strong emphasis is also placed on other indigenous sources including particularly lignite and hydro-power. Nevertheless, 1981 will go down in history as a watershed year marking the first flow of natural gas via the pipeline from the Gulf.

What then are seen as the benefits to accrue to Thailand from the availability of natural gas in the country's own backyard?

According to various government officials including Dr. Tongchat Hongladarom, PTT's Governor, it seems that just about anything is possible.

PRINCIPAL BENEFITS

TO begin with, the red ink in Thailand's international account will lessen.

The development of the Eastern Seaboard when it is fully implemented is expected to help the country save between Baht 30,000 and 35,000 million in foreign exchange annually, mainly through import substitution.

- A production rate of 150 MMscfd (a level it is hoped will be attained in the fourth quarter of this year) would reduce the trade deficit by an estimated US\$121 million annually.
- A production rate of 500 MMscfd (a level projected for the mid-eighties) would reduce the trade deficit by US\$335 million annually.
- Over 20 years of production the trade deficit would be reduced by US\$6,600 million.

Thailand will achieve substantial self-reliance in energy with gas production of 1,000 MMscfd - a target originally set for the end of this decade. This is equivalent to 26 million litres of fuel oil.

Royalties and taxes. From the production of just 500 MMscfd for 20 years the government will earn royalties and taxes to the tune of US\$1,200 million from the concessionaires.

"Cuts in transportation costs. The Prime Minister has placed his stamp of approval on a plan to use natural gas and liquefied petroleum gas to replace benzine and diesel oil in private vehicles. PTT and the Bangkok Mass Transit Authority, which operates all public buses in the Capital, have also been studying the feasibility of converting the Authority's buses to gas. This move alone would save Thailand Baht 1,000 million in foreign exchange annually and ensure commuters, who are mostly the city poor, of more stable bus fares.

Liquefied petroleum gas (LPG) as cheap cooking gas will - on the completion of the gas separation plant sometime in the first half of 1985 - be made available to the lower income brackets. This move will also benefit the overall economy by reducing the rate of deforestation that is rampant upcountry since charcoal and firewood are now widely used for cooking by the majority of country folk. Moreover, there will be a substantial surplus of LPG in the not-too-distant future. This will be exported.

Natural gas exports. It has been proposed that Thailand export some of its natural gas in liquefied form (LNG) particularly from Texas Pacific's wells. The matter had been under consideration by the government for a long time - the main reason for the delay being that the authorities wanted to be certain of a sufficiency for domestic consumption prior to permitting LNG exports. In late June this year a top level committee led by the Prime Minister himself approved the long-pending and controversial plan to sell LNG abroad. Potential markets for Thailand's LNG include particularly Japan and South Korea, which have of late shown keen interest in buying this product.

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